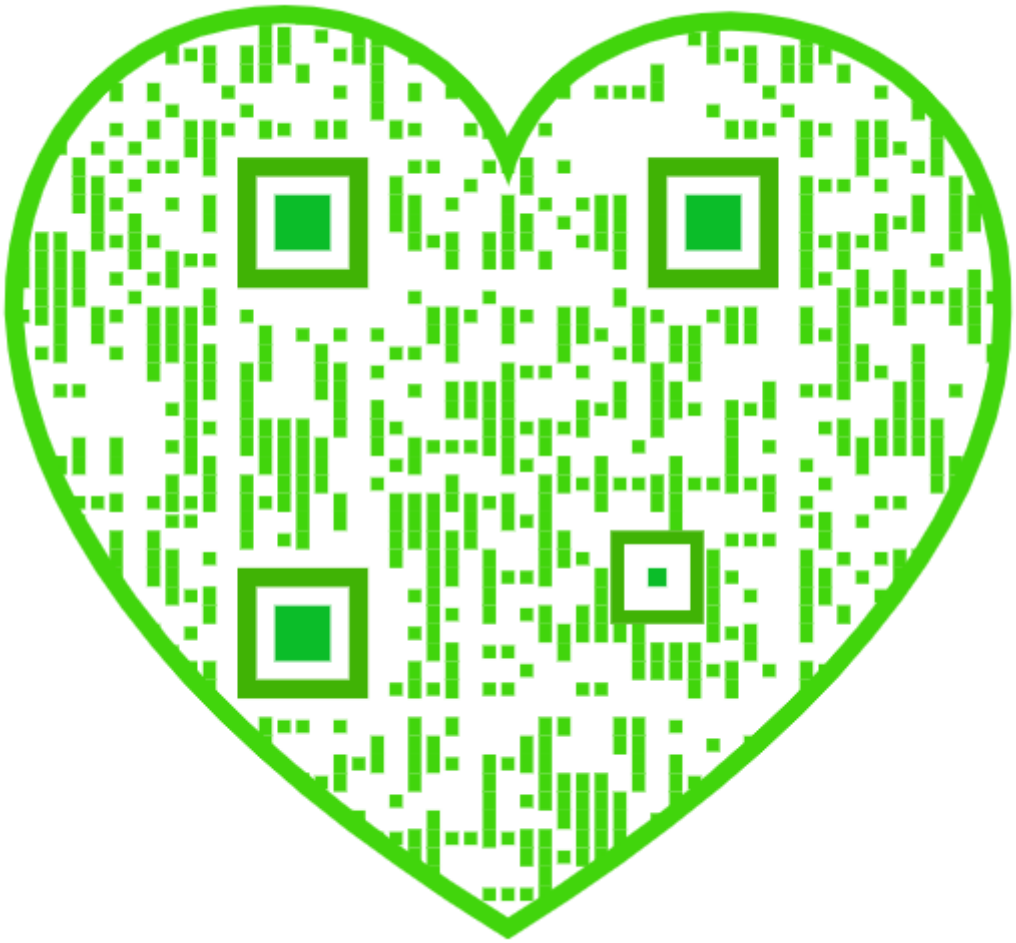

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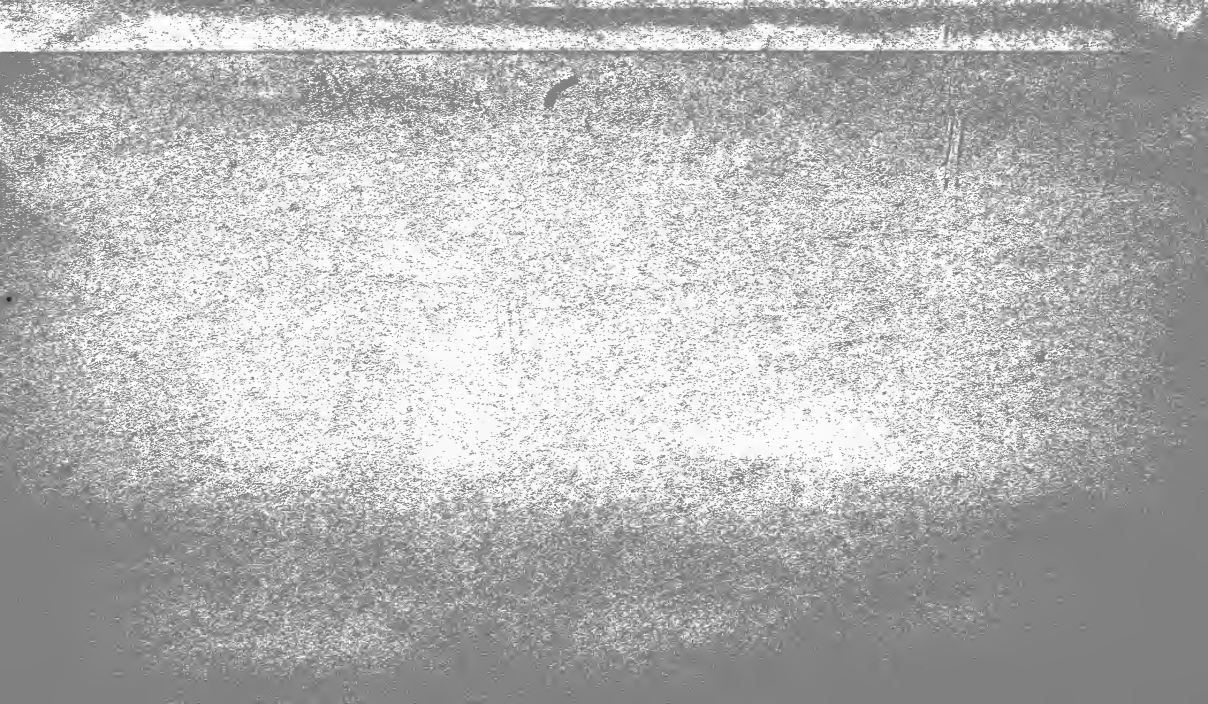

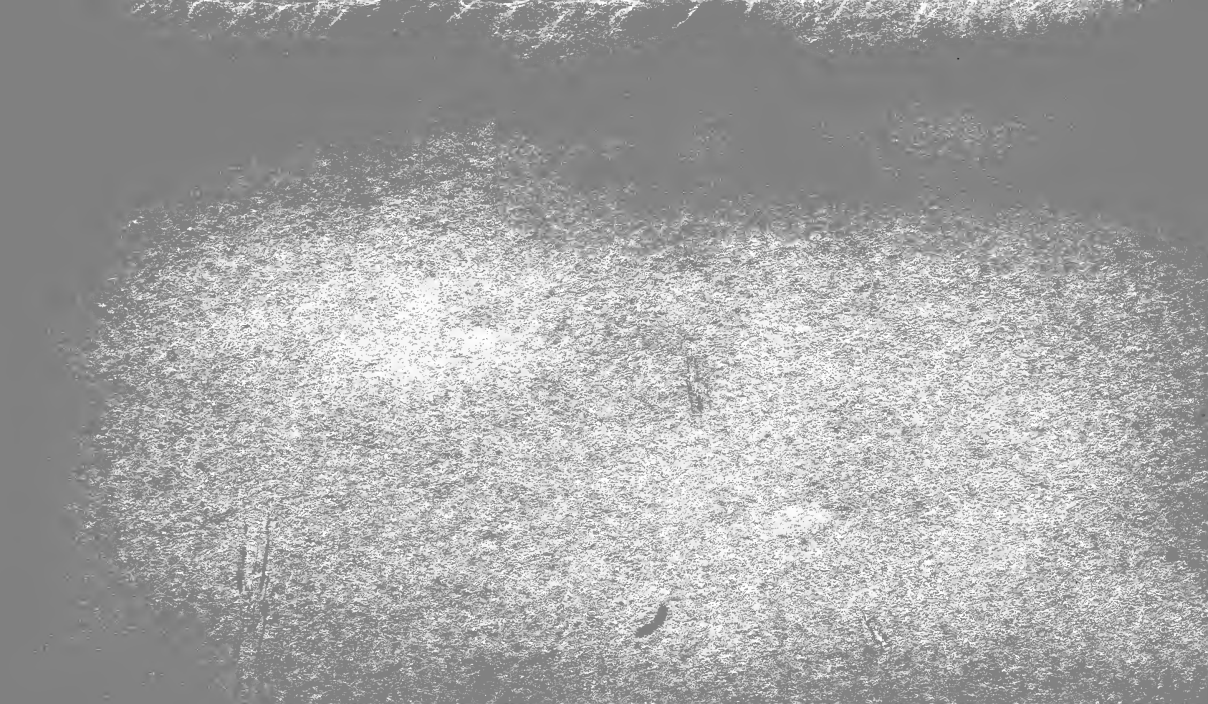

ESSAYS

DESIGNED TO ELUCIDATE THE SCIENCE OF

POLITICAL ECONOMY,

WHILE SERVING TO EXPLAIN AND DEFEND
THE POLICY OF

PROTECTION TO HOME INDUSTRY,

AS A SYSTEM OF

NATIONAL COÖPERATION FOR THE ELEVATION OF LABOR.

By HORACE GREELEY.

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To the Memory

OF

HENRY CLAY,

THE GENIAL, GALLANT, HIGH-SOULED PATRIOT, ORATOR, AND STATESMAN; THE NOBLEST EMBODIMENT OF AMERICAN GENIUS, CHARACTER, AND ASPIRATIONS; THE MAN WHO MOST EFFECTIVELY COMMENDED THE POLICY OF PROTECTION TO THE UNDERSTANDINGS AND HEARTS OF THE MASSES OF HIS COUNTRYMEN,

THIS WORK

OF ONE AMONG THE MANY WHO STILL LOVE, HONOR, AND ADMIRE HIM,

IS AFFECTIONATELY DEDICATED

BY

THE AUTHOR.

PREFACE

"No doubt, ye are the People and wisdom will die with you," said pedant yet still human Job, when his friends had rather overdone the business of reproving, exhorting, correcting, and generally overwhelming him. I am often reminded of the old Patriarch's later and less material tribulations, while scanning the lucubrations of those who modestly claim for their own school a monopoly of all the wisdom wherewith the science of Political Economy has yet been irradiated, and dismiss the arguments of their antagonists as the explosions of rapacity and selfishness, or of a misplaced ignorance and narrow-ness unworthy of grave consideration. There are seasons wherein such indecent [illegible] even [illegible] may impose; but I write for the quiet minds of intelligent observers, reflecting fairness and moderation; and if I succeed in making my position clearly understood, I do not fear that they will be condemned or rejected.

Had I been able to marshal at once the mass of facts, laws and causes of a more exacting position, I would have presented [illegible] complete and unexceptionable

PREFACE.

"No doubt, ye are the People, and wisdom will die with you," said patient, yet still human Job, when his friends had rather overdone the business of reproving, exhorting, correcting, and generally overhauling him. I am often reminded of the old Patriarch's later and less material tribulations, while scanning the lucubrations of those who modestly claim for their own school a monopoly of all the wisdom wherewith the science of Political Economy has yet been irradiated, and dismiss the arguments of their antagonists as the sophisms of rapacity and selfishness, or of a mole-eyed ignorance and narrowness unworthy of grave confutation. There are minds whereon such majestic assumptions of superior wisdom may impose; but I make no appeal to them. I write for the great mass of intelligent, observant, reflecting farmers and mechanics; and, if I succeed in making my positions clearly understood, I do not fear that they will be condemned or rejected.

Had I been able to snatch more time from the incessant labors and cares of a most exacting vocation, I should have presented a more complete and unexception-

able work. I ought to have had at least one full year for the preparation of this volume; whereas, I have given it but a portion of my time for six months. I could have fortified my positions far more strongly with citations from those whose arguments are weighty, and especially with those of eminent Free-Traders, had I enjoyed a fuller opportunity. But there is an important sense wherein my whole past life has been a preparation for this undertaking: for the experience and observation of nearly half a century, so far as they bear upon the sources and currents of industrial prosperity or adversity, have been freely drawn upon in the composition of the following chapters, which embody what I have seen and felt far more fully than they do what I have read and studied. At all events, I cannot hope ever to find time to study more profoundly and write more elaborately; so those who care to scan my views of the important topic here treated will seek them in the volume herewith presented.

At all events, those who read will say that here is no artifice, no concealment, no reserve. If Protection be indeed the narrow, bigoted, short-sighted, one-sided, self-condemned, envious, hateful policy its enemies proclaim it, this work cannot fail to reveal the fact, so that it will no longer be believed on the mere dictum of Baptist-Say, Bastiat, McCulloch, and Mill. These essays will not disarm hostility any more than they deprecate criticism.

If it be true that Protection is based on envy or hatred of others' prosperity, and seeks to pull them down to a common level of obstruction, stagnation, and virtual ruin, — if Protection be a device to sell inferior goods at extortionate prices, — to enable manufacturers to enrich themselves at the expense of involuntary customers, — that fact may be demonstrated from the following pages. I know that the hurry of preparation leaves my positions at many points exposed to cavil; yet my confidence that they are based on absolute truth is so profound that I heartily commend them to thoughtful scrutiny.

Writing for common people, I have aimed, above all things, to be lucid and simple. My illustrations are drawn from our National history, mainly from that part of it whereof there are many living witnesses; and I have preferred those to whose truthfulness I could personally bear testimony. If these shall often seem to the fastidious homely and commonplace, I do not believe that they will, on that account, be less acceptable to, or less effective with, the larger number of my readers.

Doubtless, some will disrelish my frequent citations from the records of our past struggles to establish, on the one hand, — to undermine and subvert, on the other, the policy of Protection; but they are not made without a purpose. For the questions we are about to consider, the issues we are soon to try, are in essence the

same that were passed upon by our fathers; and my positions are substantially those held by Henry Clay, Rollin C. Mallary, Walter Forward, and their compeers, in opposition to those of John Randolph, John C. Calhoun, George McDuffie, and Churchill C. Cambreleng. There are no stronger arguments for Free Trade to-day than those so ably urged by Daniel Webster in his speech against the Tariff of 1824, — a very great speech indeed, and one which no man now living can surpass, — but it did not defeat the passage of the bill, nor prevent Mr. Webster becoming in after years a leading champion of that Protective policy which he therein assailed so forcibly. We who, as boys or as men, were humble participants in the contests for Protection in those days are not likely to be dismayed by a reproduction of the arguments which the American People then debated, considered, and condemned, as inapt or unsound.

We are about to enter, as a people, upon a very general and earnest discussion of Economic questions, and I rejoice that such is the case. I welcome the conflict, for I feel entirely assured as to the ultimate issue. Bull Runs and Chickamaugas may intervene, but I look beyond them to our Atlanta and our Appomattox.

H. G.

New York, December 1, 1869.

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POLITICAL ECONOMY.

I.

LABOR — PRODUCTION.

First of Man's material interests, most pervading, most essential, is Labor, or the employment of human faculties and sinews to create, educe, or shape articles required by his needs or tastes. Though Providence is benignant and Nature bounteous, so that it was possible, in the infancy of the race, that the few simple wants of a handful of savages might be fitfully, grudgingly satisfied from the spontaneous products of the earth; and though a thin population of savages is still enabled to subsist, on a few fertile tropical islands, without regular, systematic industry, — their number being kept below the point of mutual starvation by incessant wars, by cannibalism, by infanticide, and by their unbounded licentiousness, — the rule is all but inexorable that human existence, even, is dependent on human labor. To the race generally, to smaller communities, and to individuals, God proffers the stern alternative, Work or perish! Idlers and profligates are constantly dying out, leaving the earth peopled mainly by the offspring of the relatively industrious and frugal. Philanthropy may drop a tear by their unmarked graves; but the idle, thriftless, improvident tribes and classes will nevertheless disappear, leaving the earth to those who, by

planting as well as by clearing away forests, and by tilling, irrigating, fertilizing, and beautifying the earth, prove themselves children worthy of her bounty and her blessing. Even if all things were made common, and the idle welcomed to a perpetual feast upon the products of the toil of the diligent, still, the former would rapidly pass away, leaving few descendants, and the children of the latter would ultimately inherit the earth.

Labor begins by producing and storing the food and fabrics required to shield men from the assaults of hunger and thirst, from storm and frost, from bleak winds and the austerity of seasons and climates; but it does not end here. Man's wants expand and multiply with his means of satisfying them. He who would once have deemed himself fortunate if provided with the means of satisfying his most urgent physical needs, and "passing rich on forty pounds a year," learns gradually, as his means increase, to number a stately mansion, with spacious substructures and grounds, a costly equipage, sumptuous furniture, rare pictures and statuary, plate and precious stones, among his positive needs. "The heart of man is never satisfied" with its worldly goods; and this is wisely ordered, that none should cease to struggle and aspire. The possessor of vast wealth seems more eager to increase it than his needy neighbor to escape from the squalid prison-house of abject want. The man of millions, just tottering on the brink of the grave, still schemes and contrives to double those millions, even when he knows that his hoard must soon pass to distant relatives to whose welfare he is utterly indifferent. The mania for heaping up riches, though it has a very material, tangible basis, outlives all rational motive and defies all sensible limitations. Many a thoroughly selfish person has risked and

lost his life in eager pursuit of gain which he did not need and could not hope to enjoy.

Yet, when poets, philanthropists, and divines, have said their worst of it, the love of personal acquisition remains the main-spring of most of the material good thus far achieved on this rugged, prosaic planet. Columbus, wearily bearing from court to court his earnest petition to be enabled to discover a new world, insisted on his claim to be made hereditary Lord High Admiral of that world, and to a tithe of all the profits that should flow from its acquisition. The great are rarely so great or the good so good that they choose to labor and dare entirely for the benefit of others; while, with the multitude, personal advantage is the sole incitement to continuous exertion. Man's natural love of ease and enjoyment is only overborne, in the general case, by his consciousness that through effort and self-denial lies the way to comfort and ease for his downhill of life and a more fortunate career for his children. Take away the inducements to industry and thrift afforded by the law which secures to each the ownership and enjoyment of his rightful gains, and, through universal poverty and ignorance, even Christendom would rapidly relapse into utter barbarism.

But, though Industry is mainly selfish in its impulses, it is beneficent, and even moral, in its habitual influences and results. Closely scan any community, and you will trace its reprobates and criminals back to homes and haunts of youthful idleness. Of the hundred youth this day living in a rural village or school district, or on a city block, if it be found on inquiry that sixty are diligent, habitual workers, while the residue are growing up in idleness, broken only by brief and fitful spasms of industry, you may safely conclude that the sixty will become moral, useful, exemplary men and women, while

the forty will make their way, through lives of vice and ignominy, to criminals', drunkards', or paupers' graves. The world is full of people who wander from place to place, whining for "Something to Do," and begging or stealing their subsistence for want of work, whose fundamental misfortune is that they know how to do nothing, having been brought up to just that. They are leeches on the body politic, and must usually be supported by it in prison or poor-house, and finally buried at its cost, mainly because their ignorant or vicious parents culpably failed to teach them or have them taught how to work. Now they will tell you, when in desperate need, that they are "*willing* to do anything"; but what avails that, since they know how to do nothing that is useful, or that any one wants to pay them for doing?

There have been communities, and even races, that proclaimed it a religious and moral duty of parents to have each child taught some useful calling whereby an honest living would be well-nigh assured. That child might be the heir of vast wealth, or even of a kingdom; but that did not excuse him from learning how to earn his livelihood like a peasant. The Saracens and Moors, who bore the faith of Mohammed on their victorious lances to the very heart alike of Europe, Asia, and Africa, so trained their sons to practise and honor industry; unlike the Turks and Arabs, who, since the decay of the empires of Saladin and Haroun al Raschid, have inherited the possessions, but not the genius, of the earlier champions and disseminators of their faith. Greek and Roman civilization had previously rotted away, under the baneful influences of that contempt for and avoidance of labor which Slavery never fails to engender. Not till the diversification of industry, through the silent growth and diffusion of manufactures, had undermined and destroyed serfdom in Europe, was it possible

to emancipate that continent from mediæval ignorance and barbarism. Not while the world still waits for a more systematic, thorough enforcement of the principle that *every child should in youth be trained to skill and efficiency in some department of useful, productive industry*, can we hope to banish able-bodied Pauperism, with its attendant train of hideous vices and sufferings, from the civilized world. So long as children shall be allowed to grow up in idleness must our country, with most other countries, be overrun with beggars, thieves, and miserable wrecks of manhood as well as of womanhood.

Every child should be trained to dexterity in some useful branch of productive industry, not in order that he shall certainly follow that pursuit, but that he may at all events be able to do so in case he shall fail in the more intellectual or artificial calling which he may prefer to it. Let him seek to be a doctor, lawyer, preacher, poet, if he will; but let him not stake his all on success in that pursuit, but have a second line to fall back upon if driven from his first. Let him be so reared and trained that he may enter, if he will, upon some intellectual calling in the sustaining consciousness that he need not debase himself, nor do violence to his convictions, in order to achieve success therein, since he can live and thrive in another (if you choose, humbler) vocation, if driven from that of his choice. This buttress to integrity, this assurance of self-respect, is to be found in a universal training to efficiency in Productive Labor.

The world is full of misdirection and waste; but all the calamities and losses endured by mankind through frost, drouth, blight, hail, fires, earthquakes, inundations, are as nothing to those habitually suffered by them through human idleness and inefficiency, mainly caused (or excused) by lack of industrial training. It is quite within the truth to estimate that one tenth of our people,

in the average, are habitually idle because (as they say) they can find no employment. They look for work where it cannot be had. They seem to be, or they are, unable to do such as abundantly confronts and solicits them. Suppose these to average but one million able-bodied persons, and that their work is worth but one dollar each per day; our loss by involuntary idleness cannot be less than $ 300,000,000 per annum. I judge that it is actually $ 500,000,000. Many who stand waiting to be hired could earn from two to five dollars per day had they been properly trained to work. "There is plenty of room higher up," said Daniel Webster, in response to an inquiry as to the prospects of a young man just entering upon the practice of law; and there is never a dearth of employment for men or women of signal capacity or skill. In this city, ten thousand women are always doing needlework for less than fifty cents per day, finding themselves; yet twice their number of capable, skilful seamstresses could find steady employment and good living in wealthy families at not less than one dollar per day over and above board and lodging. He who is a good blacksmith, a fair millwright, a tolerable wagon-maker, and can chop timber, make fence, and manage a small farm if required, is always sure of work and fair recompense; while he or she who can keep books or teach music fairly, but knows how to do nothing else, is in constant danger of falling into involuntary idleness and consequent beggary. It is a broad, general truth that no boy was ever yet inured to daily, systematic, productive labor in field or shop throughout the latter half of his minority, who did not prove a useful man, and was not able to find work whenever he wished it.

Yet to the ample and constant employment of a whole community one prerequisite is indispensable, — that a variety of pursuits shall have been created or natural-

ized therein. A people who have but a single source of profit are uniformly poor, not because that vocation is necessarily ill-chosen, but because no single calling can employ and reward the varied capacities of male and female, young and old, robust and feeble. Thus a lumbering or fishing region with us is apt to have a large proportion of needy inhabitants; and the same is true of a region exclusively devoted to cotton-growing or gold-mining. A diversity of pursuits is indispensable to general activity and enduring prosperity. Sixty or seventy years ago, what was then the District, and is now the State, of Maine was a proverb in New England for the poverty of its people, mainly because they were so largely engaged in timber-cutting. The great grain-growing, wheat-exporting districts of the Russian empire have a poor and rude people for a like reason. Thus the industry of Massachusetts is immensely more productive per head than that of North Carolina, or even that of Indiana, as it will cease to be whenever manufactures shall have been diffused over our whole country, as they must and will be. In Massachusetts, half the women and nearly half the children add by their daily labor to the aggregate of realized wealth; in North Carolina and in Indiana, little wealth is produced save by the labor of men, including boys of fifteen or upward. When this disparity shall have ceased, its consequence will also disappear.

And, though Man is first impelled to labor by the spur of material want, the movement outlasts the impulse in which it originated. The miser toils, and schemes, and saves, with an eye single to his own profit or aggrandizement; but commodious public halls, grand hotels, breezy parks, vast libraries, noble colleges, are often endowed in his will or founded on his wealth. Whatever the past has bequeathed for our instruction,

civilization, refinement, or comfort, was created for us by the saving, thrifty, provident minority of vanished generations, many of whom were despised and reviled through life as absorbed in selfishness and regardless of other than personal ends. How many of those who flippantly disparaged and contemned him while he lived have rendered to mankind such signal, abiding service as Stephen Girard or John Jacob Astor?

He who is emphatically a worker has rarely time or taste for crime or vice. Nature is so profoundly imbued with integrity, — so implacably hostile to unreality and sham, — so inflexible in her resolve to give so much for so much, and to yield no more to whatever enticement or wheedling, — that the worker, *as* worker, is well-nigh constrained to uprightness. The farmer or gardener may be tempted to cheat as a trafficker, — to sell honey that is half molasses, or milk that he has made sky-blue with water, — yet even *he* knows better than to hope or seek to defraud Nature of so much as a farthing; for he feels that she will not allow it. Every thousand bushels of grain, wherever produced, cost just so much exertion of mind and muscle, and will be commanded by no less. Stupidity, seeking to dispense with the brain-work, may make them far too costly in muscular effort; but Nature fixes her price for them, and will accept no dime short of it. Work, wherever done, bears constant, emphatic testimony to the value, the necessity, of integrity and truth. Carlyle states[1] this more broadly, hence more impressively, thus: —

"It has been written, 'An endless significance lies in Work: a man perfects himself by working. Foul jungles are cleared away; fair seed-fields rise instead, and stately cities; and withal *the man himself* first ceases to be jungle, and foul, unwholesome desert thereby. Consider how, even

[1] Past and Present.

in the meanest sort of labor, the whole soul of man is composed into a kind of real harmony the instant he sets himself to work! Doubt, Desire, Sorrow, Remorse, Indignation, Despair itself, all these, like hell-dogs, beleaguering the soul of the poor day-worker, as of every man; but he bends with free valor against his task, and all these are stilled, all these shrink murmuring far off into their caves. The man is now a man. The blessed glow of Labor in him, — is it not as purifying fire, wherein all poison is burnt up, and of sour smoke itself there is made bright, blessed flame?'

"Show me a people energetically busy, heaving, struggling, all shoulders at the wheel, their hearts pulsing, every muscle swelling with man's energy and will; I show you a people of whom great good is already predicable, — to whom all manner of good is yet certain, if their energy endure. By very working, they will learn; they have, Antæus-like, their feet on Mother Fact; how can they *but* learn?"

Our own great Channing had, some years earlier, set forth the same general truth, — that of the beneficence of Labor as a groundwork of human education and discipline, — in terms somewhat less vigorous, but no less explicit and positive, than those of the British essayist. He says:[1] —

"I do not expect a series of improvements by which the laborer is to be released from his daily work. Still more, I have no desire to dismiss him from his workshop and farm, — to take the spade and axe from his hand, and to make his life a long holiday. I have faith in labor; and I see the goodness of God in placing us in a world where labor alone can keep us alive. I would not change, if I could, our own subjection to physical laws, our exposure to hunger and cold, and the necessity of constant conflicts with the material world. I would not, if I could, so temper the elements that they should infuse into us only grateful sensations, — that they should make vegetation so exuberant as to anticipate every

[1] Lectures on the Elevation of the Laboring Classes. By the Rev. William Ellery Channing, D. D.

want, and the minerals so ductile as to offer no resistance to our strength and skill. Such a world would make a contemptible race. Man owes his growth, his energy, chiefly to the striving of the will, — that conflict with difficulty which we call Effort. Easy, pleasant work does not make robust minds; does not give men a consciousness of their powers; does not train them to endurance, to perseverance, to steady force of will, — that force without which all other acquisitions avail nothing. Manual labor is a school in which men are placed to get energy of purpose and character, — a vastly more important endowment than all the learning of all other schools. They are placed, indeed, under hard masters — physical sufferings and wants, the power of fearful elements, and the vicissitudes of all human things; but these stern teachers do a work which no compassionate, indulgent friend could do for us; and true wisdom will bless Providence for their sharp ministry. I have great faith in hard work. The material world does much for the mind by its beauty and order; but it does much more for our minds by the pain it inflicts, — by its obstinate resistance, which nothing but patient toil can overcome, — by its vast forces, which nothing but unremitting skill and effort can turn to our use, — by its perils, which demand continual vigilance, and by its tendency to decay. I believe that difficulties are more important to the human mind than what we call assistances. Work we all must, if we mean to bring out and perfect our nature. Even if we do not work with the hands, we must undergo equivalent toil in some other direction. No business or study which does not present obstacles, tasking to the full the intellect and the will, is worthy of a man. In science, he who does not grapple with hard questions, who does not concentrate his whole intellect on vigorous attention, who does not aim to penetrate what at first repels him, will never attain to mental force."

Ross Browne, summing up his observations, made during a recent tour of the Holy Land, remarks that he saw in all that country but one man doing anything: he was falling off the roof of a house. Need it be explained

that Palestine is under the sway of a race and rule that reject the idea of Protection to Home Industry, holding it condemned by the precepts of that Koran which is their Bible? Labor is amazingly cheap there, — cheap as in the day when each of the laborers in the vineyard received a penny for his day's wages, whether he had worked twelve hours or but one, — yet barely a few of the very rudest manufactures are still prosecuted, and these are palpably feeble and declining, with the great body of the people impoverished, wretched, despairing. Well may they be so under a government which (as a recent writer from Constantinople reports) charges an excise duty of *twelve* per cent. on ship-timber cut from Turkish forests, and an impost of but *eight* per cent. on like timber imported from a foreign land. No plundering the masses here for the profit of "monopolists" and "cotton-lords": yet the wild Bedouin of the desert levies at will on the wretched tiller of the soil; the local tax-collector seizes most of what remains; and the hapless cultivator is driven in the spring to the usurer, of whom he borrows, at twenty-five to fifty per cent., the means of re-seeding his unfertilized fields, and thus beginning anew his dreary, hopeless round of famished toil and vexatious care.

The Hon. Robert Dale Owen, who spent several years at Naples as Minister of the United States, declares the lazzaroni of that great city unjustly stigmatized as inveterate, wilful idlers; he having found them always accepting with alacrity any job that was offered them and that they knew how to do. They were habitually idle, simply because they could get no work. Let us suppose that the new kingdom of Italy were ruled by some great genius like Czar Peter or Napoleon I.; can you believe that he would not find or make some way of setting these idle hundreds of thousands at work? that

he would be withheld from attempting it by some college pedant or blear-eyed book-worm, who should magisterially admonish him that governments have properly nothing to do with industry or commerce, — that the extent of their legitimate function is to keep men from breaking each other's heads or picking each other's pockets, — that they transcend their sphere whenever they meddle with production, and seek to make two blades of grass flourish where but one has hitherto been grown? Who does not see that to set those thousands at work — to make them busy, useful, thrifty, — to proffer them ample, remunerative, diversified employment — is to elevate them morally as well as physically, to increase the wealth and strength of the kingdom or state; nay, more, — to elevate the standard of human nature and increase the sum of human well-being?

But the Turks are slaveholders; and Slavery does not concern itself, unless inimically, with the elevation of labor or of the laboring class. The fundamental ideas on which Protection is based war implacably on the enslavement of man. Hence, Henry Clay, though a slaveholder, was never in sympathy with the Slavery Propaganda, and never enjoyed its confidence, because he was a Protectionist, and it was felt instinctively that he could not be heartily devoted at once to Slavery and to Protection. Hence, John C. Calhoun, though a Protectionist while in the House, — as he showed in framing and advocating the tariff of 1816, — became an extreme, intense Free-Trader from the hour in which he presented himself to the country as the foremost champion of Slavery, not as an evil to be borne, but a good to be cherished, perpetuated, extended. "Instinct is a great matter"; and the Southern aristocracy of the last age could not help regarding every cotton-factory erected within their domain as a nursery and citadel of Abolition.

No matter though only whites were employed in it, no matter though each of these were surcharged with pride of caste and negro-hate, they felt that there was an inevitable antagonism between a diversified, intelligent industry and their darling institution, and that the outbreak of open war between them was merely a question of time. The South of 1815 – 60 had every element of manufacturing prosperity but that of intelligent labor : she could not have this and Slavery together ; and her ruling caste, regarding Slavery as the paramount good, naturally frowned upon and froze out manufactures. An instinct profounder than any logic impelled them to this : a like instinct impelled the Congress of 1860 – 61, so soon as the slaveholders had deserted their seats to inaugurate the war of Secession, to frame and enact a Protective Tariff.

I insist, then, that the consideration of cheapness, though important, is not *all*-important ; that "the life is more than meat" ; that, in laying the foundations of a national policy, we are to consider not alone by what course we may obtain our supply of sheetings, flannels, or iron, at the lowest cash price, but how we shall most surely and fully develop and employ the entire industrial capacity of our people. Even if it were as true as it is false, that we might make more money by devoting the entire energies of our people to the growing of corn or cotton than by a broadly diversified industry, it would still be a grave, a fatal blunder to do this ; because it could not fail to doom the masses to relative ignorance and barbarism, — to obstruct their intellectual as well as industrial development, and stunt their growth in civilization and all the amenities of life. Infinite are the uses of Labor ; but its highest and noblest fruition is MAN !

II.

COMMERCE — EXCHANGES.

OURS is preëminently an age of Traffic. The rapid and vast extension of commerce since the century distinguished by the invention of printing and the discovery of America; the applications of steam to facilitate and speed the creation of material wealth through manufactures and its diffusion through transportation and trade; the consequent sudden and vast increase of whatever ministers to the sustenance, comfort, or enjoyment of the human race, — have combined to give to Traffic a recent growth and development far transcending the wildest dreams of antiquity. The commerce of Thebes or of Tyre, of Carthage or of Alexandria in her palmy days, was trivial in volume when compared with that whereof London or New York is now the focus. And the gigantic enterprises now in progress or in contemplation, whereby this continent, having already been traversed by one line of railroad through the heart of our country, is soon to be belted with at least two more, paralleled by similar lines of communication, by rail or by water, across the Isthmus of Darien, that of Tehuantepec, and the intervening plateaus of Nicaragua and Costa Rica, with the no longer problematical ship-canal across the Isthmus of Suez, to say nothing of kindred undertakings in other parts of the world, presage a still further and vaster augmentation of the volume and momentum of international, trans-oceanic and trans-continental commerce. In the conception of its votaries, Traffic is yet in its infancy, and is on the verge of a

development rapid and vast far beyond even its recent advances.

Very naturally, the popular apprehension is dazzled by the prospect, as it was, two or three centuries since, by the newly expanded possibilities of maritime adventure and discovery. The imagination of boyhood is intoxicated by visions of wealth to be suddenly acquired, of ease to be readily secured, through addiction to some form of Traffic. Our ambitious, aspiring youth, unless educated for professions, forsake, almost *en masse*, their rural homes in quest of mercantile training and a mercantile career. The ignorant, friendless, penniless negro, just let loose from hereditary bondage, drops his detested hoe in the half-tilled cotton-field, and hies to the nearest city, in the sanguine hope that he may there live lazily and luxuriously upon the profits of huckstering, oyster-peddling, rum-selling, or some other form of petty traffic, or at least as the servitor or menial of one of the more favored votaries of some loftier guild of commerce. The moderate but certain gains of patient, creative industry, and especially of rural industry, seem petty and despicable when compared with the great prizes sometimes drawn in the lottery of Trade. These prizes are paraded, noted, discussed, envied; they fill the public eye and command admiring regard; while the far more numerous blanks are unobserved, unregarded, or soon forgotten. Of every hundred who embark in traffic, it was long since ascertained that a large majority fail, while scarcely one in twenty secures and retains a competence; but the one challenges attention and fixes regard, while the nineteen are quickly hidden from view by the waters of oblivion. The passion for gambling, in whatever form, seems as fascinating to the civilized as the savage breast; and no exposure of its perils and horrors suffices to eradicate or fully master it. Individuals repel or vanquish

it; the masses are ever eager to expose themselves to immolation on its gory altars.

And, while all Commerce is thus attractive, that which traverses oceans and interweaves the transactions of continents naturally proffers the largest prizes and the most resistless attractions. Prices are charged and profits realized on the products of another continent which would be preposterous and unattainable were producer and consumer acquainted with and living in proximity to each other. The greatest fortune ever acquired by an American in Europe was mainly realized in a few years by negotiating in England the bonds of several of our railroad companies, and converting the proceeds into the rails and chairs required in building or renovating the roads of those companies. The colossal fortune of the Rothschilds had a basis not dissimilar to this. Our most eminent and successful New York merchant was not in youth trained to commerce, and did not contemplate a mercantile career; but, after devoting two or three of the later years of his minority to teaching in this city, he returned to Europe to receive the modest patrimony bequeathed him by the last to die of his progenitors. Having obtained it, and being on the point of embarking to return to this, the country of his choice, a friend suggested that he might largely increase his little fortune by investing it at Belfast in a fabric of that busy city known as *Lace Insertions;* and he, though utterly unacquainted with merchandise, followed the advice; selling the goods, on his arrival in New York, for as many dollars as they had cost him shillings (sterling), and thus probably trebling his patrimony in the course of two or three months. The revelation thus made to him of what might be acquired through commerce changed and fixed his destiny; and half a century of persistent, extensive, and constantly

expanding importation and sale of European fabrics, has placed him among the foremost in wealth and rank of our merchant princes. His has been a most successful, brilliant, and honored career; and yet I cannot doubt that he would have been far more useful to his country and to mankind had he consecrated his great abilities and tireless, measureless energy to the naturalization on our own soil of the useful arts and processes, along with the artificers and workmen, whose products he has so largely and so profitably imported from the Old World.

As this avowal brings me into open, direct collision with the more widely accredited teachers of Political Economy, I pause here to intrench and reconnoitre.

In my conception, the chief end of a true Political Economy is *the conversion of idlers and useless exchangers or traffickers into habitual, effective producers of wealth.* If a community whereof one-half live by vocations which add nothing to its aggregate of useful products can be so organized, so transformed, that the proportion of its non-producers shall be reduced one-fourth, its wealth, comfort, intelligence, refinement, can hardly fail (other things being equal) to be essentially increased by the change; if the proportion of non-producers could thus be reduced to one-eighth, the resulting benefit would be doubled. And one of the chief waste-gates of human effort is that afforded by the consumption of time and energies in the transportation across oceans and continents of staples or fabrics which might as easily — that is, with little or no more labor — have been produced in the region where they are required and consumed.

Understand, once for all, that I do not propose a contravention of the laws of Nature, nor of any of them. If my countrymen can only grow coffee or allspice, caoutchouc or cocoa, in hot-houses, at many times the cost (in labor) of its production in tropical regions, then

I would nowise encourage its growth among us at all. The free trade badinage about protecting the growth of pine-apples in Minnesota, or of arrow-root in Maine, extracting sunbeams from cucumbers, &c., &c., is simple buffoonery in evasion of the true issue. I quite comprehend that even international and trans-oceanic commerce has a beneficent function, — that of diffusing among the inhabitants of all zones and countries those natural products of each to which the soil or climate of another is ungenial, so that all may enjoy, in a measure, the blessings divinely bestowed upon each. And, so far from wishing to obstruct or impede such diffusion, I acquiesce most reluctantly in the imposition or retention of any duty or tax whatever on those products of other climes which cannot, because of natural impediments, be successfully grown or rivalled on our own soil. Show me that *Nature* has interposed a serious barrier to the growth or production of any staple in my country, and I will strenuously insist that no duty be imposed on the importation of that product unless for revenue, and that this shall be removed so soon as the treasury can spare its proceeds.

Now let me show, without reference to existing interests, wherein and why I would apply the principle of Protection : —

Tea is grown almost wholly in China, Japan, India; and, wherever grown at all, in latitudes and climates whereof parallels are found in our own country. And we have already ascertained by experiment that the tea-plant germinates, flourishes, and matures, in upper South Carolina and in East Tennessee. It should have been tested long since at a hundred different points throughout the Union; but there is no room for rational doubt that as large an area of this republic as of China will produce tea abundantly and continuously, under proper cultivation.

Now it is inevitable that, so long as the tea drank by our people shall continue to be grown in China and Japan, the consumers here will pay (quite apart from and above any tax or duty imposed on its importation by our government) three to six times as much for their tea as the Chinese growers receive for it. The old hyson, for which our drinkers pay in the average a full dollar (specie) per pound, over and above the tax which goes into our Federal treasury, has doubtless been bought of the grower for twenty to thirty cents per pound; the residue of its cost to the consumer (less tax) being made up of the profits and charges of the various traders and forwarders, agents and brokers, through whose hands it has passed on its way from the interior of China to the interior of the United States.

I want to save the millions on millions thus annually expended, — I believe uselessly, wastefully expended. I want to divide them between the grower and the consumer of tea, or to secure them to him where the same person shall be both grower and consumer. I believe that to pursue this policy is to increase the reward of Labor generally, and especially of American Labor. Instead of one thousand persons growing tea in China, one thousand more mining gold and silver in Nevada to pay for that tea, and other three or four thousands employed as merchants, factors, shippers, navigators, canal-boat men, brokers, &c., &c., &c., in transmitting the tea from the grower to the consumer, exchanging *his* product for the gold and silver wherewith the Chinese are mainly paid, and forwarding that gold and silver (or some equivalent) to the tea-grower, I would have two thousands of our own people growing tea, two thousands more producing the various staples and fabrics that our tea-growers would require in exchange for it, reduce the whole number required to effect the necessary exchanges to one thousand, and save

the gold and silver to reinforce our now dishonored Currency and pay off our enormous Debt.

Now I protest that, in maturing and avowing this conviction, I have been nowise impelled by contempt or hate of the Chinese, — of their paganism, their polygamy, their pigtails, or their reputed fondness for stewed puppies. Whatever there may be of evil or of good in their peculiarities lies entirely outside of the range of my economic conceptions and impulses. Nor have I been swayed by any special addiction to tea, or to tea-growing, nor by any desire to enrich present or prospective tea-growers, much less to endow them with a monopoly, gainful to them but baleful to all others. I have no peculiar affection for them, — no desire to promote their interest otherwise than as it is identified with the general good. I perceive and admit the possibility that certain persons might, by an early importation of tea-seed, or by growing large quantities of tea-plants for sale in advance of most others, secure to themselves peculiar advantages; but this is an incident which I did not desire, and care not to obviate. I do not see how those persons can be justly reproached as monopolists, any more than the grower of a new American grape or seedling potato. And, if they should proceed to grow tea in advance of their neighbors, and should sell their early crops at exceptionally high prices, I should be rather inclined to rejoice over than deprecate their good fortune, because I am sure it would incite more and more to embark in American tea-growing, till the profit thereof should be reduced to an equation with that of other departments of our National Industry. Unless a regard for self-interest has been eliminated from human nature, and water has ceased to run down hill, this consequence of large profits accruing in a pursuit open to all is inevitable; and it is this that I seek by Protection to secure.

"But how do you know that tea would be cheapened to our people by home production?"

I do not know that the seaboard *price* would be reduced, though I firmly believe it ultimately would be. Of the hundred leading products which we formerly imported almost or quite exclusively, and which we have naturalized on our soil by Protection, I am confident that not less than ninety are now supplied to our people at a lower cash price than they were previously, or could now be in the absence of such naturalization. A few of them might sell cheaper in the seaboard cities if imported; but they would be dearer, in the average, throughout the country. Thus the prices habitually quoted, of such bulky staples as Salt and Pig Iron, are those which rule in New York; but our home product of those important articles is made at various points throughout the interior, where they are nearer to the great body of our consumers, and hence more valuable to them, than if laid down in the Commercial Emporium. A ton of Saginaw or Kanawha salt, that would be twice as dear in New York as one brought from Turk's Island, may nevertheless be cheaper to its consumers in Kentucky or Wisconsin than foreign salt could be, even in the absence of any impost at all, — the expense of transportation, which enhances the price of imported salt to Western consumers, reducing the relative cost, to them, of home-made salt. So of every staple of considerable bulk or weight. Yet all the calculations and comparisons of Free-Traders are based on the prices which rule in the seaboard cities, where imported articles are cheapest, and their home-made rivals always relatively, and often positively, dearest.

I may now properly consider the uniform assumption of Free-Traders that Protection is a device of wealthy capitalists, who, having somehow secured a monopoly of

our markets, wish to be upheld by law in their gainful privilege of selling therein bad and dear fabrics in preference to such as are good and cheap. All tolerably informed persons must be aware that this assumption is a flagrant defiance of history. Whoever will consult Alexander Hamilton's Report on Manufactures, the writings of Matthew Carey, Hezekiah Niles, and their compeers, with the speeches of Henry Clay, Thomas Newton, James Tod, Walter Forward, Rollin C. Mallary, and other forensic champions of Protection, with the Messages of our earlier Presidents, of Governors Simon Snyder, George Clinton, Daniel D. Tompkins, De Witt Clinton, &c., &c., cannot fail to note that they championed, not the maintenance, but the creation of home manufactures, — not mainly the preservation of existing interests and industries, but the naturalizing or calling into life of pursuits new to our countrymen; and this not for the sake, primarily, of those who should thus be incited to manufacture, or drawn hither from Europe to plant their arts on our soil, but for the benefit, directly and mainly, of those who then were, and would probably remain, farmers. In their day, manufactures were unknown to or in their rude infancy among our people, of whom fully seven-eighths were subsisted by agriculture, and a full tenth by commerce, navigation, and the simpler mechanic arts; leaving but a minute fraction engaged in the arduous, difficult task of naturalizing a few of the ruder, simpler manufactures on our soil, with scarcely a skirmish-line of legislative defence against a powerful, determined, often crushing, foreign rivalry. The main considerations which impelled our early champions of Protection were fairly and forcibly set forth by General Jackson, in his well-known letter to Dr. L. H. Coleman, of Virginia, wherein, near the close of our country's first half-century of independence, and

when he had been for thirty years conspicuously active in every sphere of public life, in the very crisis of the struggle for Protection as a recognized and cardinal feature of our national policy, he said : —

"I will ask what is the real situation of the agriculturist? Where has the American farmer a market for his surplus products? Except for cotton, he has neither a foreign nor a home market. Does not this clearly prove, when there is no market either at home or abroad, that there is too much labor employed in agriculture? and that the channels of labor should be multiplied? Common sense points out at once the remedy. Draw from agriculture the superabundant labor, employ it in mechanism and manufactures, thereby creating a home market for your breadstuffs, and distributing labor to a most profitable account, and benefits to the country will result. Take from agriculture in the United States six hundred thousand men, women, and children, and you at once give a home market for more breadstuffs than all Europe now furnishes. In short, sir, we have been too long subject to the policy of British merchants. It is time we should become a little more *Americanized*, and, instead of feeding the paupers and laborers of Europe, feed our own, or else, in a short time, by continuing our present policy, we shall be paupers ourselves.

"It is therefore my opinion that a careful tariff is much wanted to pay our national debt, and afford us the means of that defence within ourselves on which the safety and liberty of our country depend, and last, though not least, give a proper distribution to our labor, which must prove beneficial to the happiness, independence, and wealth of the community."

I have cited this familiar passage to prove the state of facts then existing, and the considerations which impelled many of our foremost men to advocate Protection as a remedy for existing and formidable evils. True, I hold the views thus expressed judicious and every way sound, while by others they are decisively condemned

and rejected; but even these must concede their value as testimony, both as to our then subsisting economic condition and to the views which impelled our wiser statesmen to seek a remedy through Protection.

Yet again, I call attention to General Jackson's pregnant testimony in exposure of the fallacy which represents Free Trade as affording the farmer a choice of *two markets*, while Protection would confine him to one. *Our* markets were then glutted with foreign metals, wares, and fabrics, admitted at very moderate rates of duty; yet General Jackson testifies that, "except for cotton, we have neither a foreign nor a home market" for our agricultural products, and insists that we must create one by fostering and building up domestic manufactures. Now it may be said that the British Corn Laws (since repealed) were the chief cause of this dearth of demand for our food staples; but the obstacles interposed by nature to their sale abroad at a profit are permanent, and more formidable than those devised by man. Those edible products which the farmer grows with comparative ease and to greatest profit — grass, fruit, vegetables, &c., &c. — must find a market near the point of production or they cannot be disposed of at all without ruinous loss. They are too bulky or too perishable to bear transportation to distant consumers.

Some twelve or fourteen years ago (since the British Corn Laws were repealed) I visited Iowa City, then the capital of the State, barely fifty-six miles from the Mississippi, with which, as with the whole country this side, it was in direct communication by railroad. It was midwinter; the streets of that city were thronged throughout the day by the farmers of the vicinage, each with his great wagon heaped with Indian-corn, which he was trying to sell at fifteen cents per (shelled) bushel. When one succeeded (which he did with difficulty, since the

supply exceeded the demand), he had to take his pay in the vilest shinplasters ever fabricated, purporting to be notes of the "Bank of Florence," Nebraska, but all issued and reissued in Iowa, and occasionally redeemed there at ten to twenty-five per cent. discount. It was useless to refuse or grumble, for there was no other money (?) to be had, and the farmers must obtain groceries and pay overdue bills somehow. This corn was then worth in New York at least five, and in New England six times the price ruling in Iowa City; in Old England, doubtless, still more: but the cost of transporting it thither from Iowa would have eaten up the gross proceeds. Not by tariffs on either shore of the Atlantic was corn-growing in Iowa rendered thus unprofitable, but by the inevitable cost of transporting so bulky a staple across half a continent and a broad ocean in quest of purchasers and consumers. It is possible that such cost has since been somewhat reduced, but it still amounts to a virtual prohibition. That the recompense of farming in Iowa has since been materially increased, is due mainly to the fact that cities, villages, factories, furnaces, founderies, &c., &c., have meantime been established or enlarged within or near her borders, signally increasing the money value of her staples, by bringing adequate markets much nearer than they were to her farmers. In other words, the policy so forcibly commended by General Jackson has been adopted, and the results foreshadowed by him have been measurably realized.

And here let me notice the cavil which runs thus: "If Protection is good on the large scale, why not on the small? If the United States should be fenced about by a tariff, why not Illinois or Rhode Island?" In its original form, this quip applied to the substitution of stoves for fire-places when it had become desirable, through the diminution of our forests, to economize fuel;

and it ran thus, "If *one* stove will save half the fuel, why not buy *two*, and save it all?" Such logic may provoke a smile, but can hardly require serious refutation. The fact that every industrial pursuit, and especially every one that requires a heavy concentration of capital, skill, machinery, &c., to insure its successful prosecution, must have "room to turn itself," — a reasonably capacious area upon which to find customers and consumers, — is too obvious to require demonstration. To argue thence that there should be no tariffs is to insist that, since cattle are benefited by a change of pasture, therefore the grazing portion of each farm should be fenced into so many pastures as there are days in the year. Canada has cheaper labor and cheaper capital than the United States; yet my question last winter, "Why not establish cotton and woollen factories here in Montreal?" was parried by another, "Where are our markets?" — those of Europe being remote and unremunerative, — those of the United States at hand, yet virtually inaccessible, — those of British America convenient, but inadequate. The cost of diffusing and exchanging the products of agriculture and manufactures respectively throughout a country may be decidedly less than if everything needed by its people were required to be produced on each square league of its area; though it would nevertheless be ruinous to send the ores, cotton, wool, and food of one continent to another, and receive back their proceeds in the form of wares and fabrics. In this, as in many things, there is a just, beneficent medium between extremes; and that medium is not always determined by the prices that rule in the open market, as I shall aim to show hereafter.

This, then, is our position respecting Commerce: that it has a broad, though not a boundless, field of legitimate and benignant activity; that it should be the

servant, not the master, of Industry; that it should interchange the productions of diverse zones and climates, following, in its trans-oceanic voyages, lines of longitude oftener than those of latitude, and aiding to disseminate useful arts and processes rather than serving to discourage and retard such diffusion by crushing out infantile and crude essays at their establishment in countries to which they have hitherto been strangers. This they may do, and often have done, by bringing to bear disastrously upon the young aspirants the fatal competition of their older and far stronger rivals, located in lands where those arts were long since cradled, and wherein they have attained, through ages of prosperous growth, a ripe and hardy maturity. Such competition is neither just in its essence nor benignant in its effects. It impels the trained and mailed veteran to mortal combat with the green, unarmed stripling who is yet a novice in the art of war. "Let every one look out for himself!" brayed the donkey dancing among chickens; which might answer for the donkey, but not so well for the chickens. Industry has its campaigns and its battle-fields, and is not yet beyond the need of intrenchments and fortifications. How these are to be constructed, armed, and manned, I shall endeavor to indicate in the following chapters.

III.

CAPITAL — SKILL — INVENTION — INTELLECTUAL PROPERTY.

Capital is the unconsumed and unwasted remainder of the fruits or proceeds of Industry. He who spends as fast as he earns accumulates no capital: the first man who ever produced or fashioned any substance for use beyond his instant need was the first capitalist. The absolute savage, fixed to no place, and living from hand to mouth on the spontaneous bounties of Nature, is as nearly devoid of capital as a human being well can be. The moment he begins to work or save for the satisfaction of his wants that stretch beyond the present hour, he becomes in some sort a capitalist, feeling the instinct as well as the need of accumulation. The hireling of civilization, who "lives as he goes along," often spending by night in dissipation more than he earns by day, and usually in debt for board and clothing to the full extent of his worldly goods or beyond it, is more destitute of capital than the average barbarian. Apart from bankrupts, almost every adult freeman is to some extent a capitalist.

Civilization is founded on accumulated Capital and systematic Labor. It cannot dispense with either. Though all men should work diligently, efficiently, through each day, yet, if they spent as fast as they earned, civilized society must perish, and human existence be maintained with difficulty, if at all. The bar-room loafer who decries Capital could not survive the next hard Winter without its aid. He lives, at least

through the inclement season, on that which others more provident have saved and stored against a time of need. He may or may not render a prompt and fair equivalent; but, in the absence of capitalists, opportunity to make the indispensable trade would be wanting. There is none so poor or wretched that Capital — earned and owned by others — has not already saved him from perishing of want, as it doubtless will do again and again. Capital, justly acquired and wisely employed, is every one's friend, smoothing the ruggedness and lessening the discomfort of even the most forlorn and hapless career.

Capital is at odds with Destitution when, and only when, it monopolizes the bounties of Nature, and either denies their use to the needy or exacts an exorbitant price therefor. For Nature, though apt to be stern in her requirements, does yet garnish the earth at seasons with spontaneous fruits of her bounty, — Vegetables, Roots, Fruits, Nuts, &c., — at once palatable and nutritious, — which signally conduce to the sustenance and solace of Man. Capital, finding or deeming the partition of lands indispensable to their thorough improvement and efficient cultivation, declares the soil, with all upon it, the rightful property of designated individuals, and makes whoever intrudes thereon a trespasser in violation of law. Herein is natural right restricted in the interest of Property, which, on the other hand, is compelled to fence and bolt, lock and guard, against the depredations of those who would appropriate and enjoy that which they never produced or earned. If the rights of Capital were never stretched beyond their proper limits, the tendency to override them might be modified.

In laying down the foregoing premises, I believe I do not differ essentially from the accredited teachers of Political Economy, who have expended many more words on the subject; though I have failed to recognize the

distinction, strenuously insisted on by some if not by all of them, between Wealth and Capital. All Capital is Wealth, of course; but all Wealth is not (in their view) Capital, which is restricted, in their conception, to that portion or kind of Wealth which directly ministers to the creation of other Wealth, through the employment and recompense of Labor. The distinction seems to me unimportant if not wholly illusory. A youth just of age works faithfully and lives frugally through his first year of independence, and has a net surplus of one hundred dollars paid him by his employer at the close. This now is his Capital. He buys with it a gold watch for his own wearing, and now he has no Capital; but to-morrow, having a chance to sell his watch for a horse with which he proposes to grow on shares a field of corn next season, he makes the trade, and becomes again a capitalist. He grows the corn, and, having sold it with his horse, at the close of his second year finds himself worth three hundred dollars in cash, — all Capital; but, being tempted to marry, he invests it all in a house in which to reside after marriage, and, not regarding this as an element or instrument of production, he is again without Capital. It seems to me safer and simpler to regard all Wealth as Capital, though for the moment it may be but potentially, passively so. This by no means ignores the truth that both Labor and Capital may be injudiciously, wastefully invested or expended, nay, — that Labor may be so wretchedly misapplied as to produce no Wealth at all. The ruins of ancient capitals like Tadmor, Thebes, or Palmyra, are not capital, and can be made to yield little or no wealth; the Pyramids cost a vast amount of labor, yet have no pecuniary value; the remains of the Coliseum or of Pompeii have very little. I fully concur in the assumption that a prodigal's lavish expenditure no more contributes, in the

large view, to the relief of poverty than to the increase of national wealth. The drunken idiot or maniac who sows the street with dollars, to be scrambled for by the mob, does not befriend—he rather debauches—his scuffling, struggling, shouting followers. I fully insist that he who makes and saves, though already possessed of vast wealth, is a greater benefactor to the poor than though he were content to riot, spend, and squander. But, when I read that the wages of the poor necessarily rise or fall with the increase of the wealth of the rich, I hesitate and demur. Put it in the less positive form of the first[1] of Mr. Mill's "Fundamental Propositions respecting Capital," viz. "That Industry is limited by Capital," and I deem it still too sweeping. Do we not all know that capital was very scarce as well as dear in California throughout the year (1849) following the discovery of gold, yet labor has rarely been anywhere in more eager demand, or more bounteously rewarded, than just then and there? To-day, the wealth of California must be thrice as much per head as it was in 1849 or either of the three following years; yet labor is neither in such eager demand nor so generously recompensed as it then was. I am far enough from wishing to assume or incite an antagonism between Capital and Labor; I firmly believe that, other things being equal, an increase of the wealth of a country per head is advantageous to its poorer classes in promising them ampler and steadier employment; yet, in so far as it tends to increase the price of lands and other fixed property, and thus impede the transmutation of hirelings into independent freeholders and artisans who direct their own labor, it is rather a bane than a blessing to the poor.

Nor do I admit that Capital must be consumed in order to render it productive. It *may* be consumed in

[1] Principles of Political Economy, by J. S. Mill, Vol. I. Ch. V.

the process of production, and often is, since use is trying and most material things are frail and perishable; but the plough that has broken up a hundred fertile acres may have only been scoured brighter by the process, and the colt that has been judiciously broken and inured to labor this year may be only the better plough-horse therefore next year. What is generally true in the premises is this: Industry applies itself to the transmutation of certain substances into others presumptively of greater value. The crop of wheat grown one year, being apportioned into seed and bread-corn, is in part paid to laborers (directly or indirectly) as the wages of their labor, and in part sowed for next year's harvest; and the crop, if no disaster is encountered, is reasonably expected to replenish the farmer's granary and leave a surplus for sale.

The material wealth which has been amassed by mankind throughout thousands of years is of incalculable amount and value. Apart from that held by individuals, the churches and other public edifices, canals, roads, railways, bridges, literature, paintings, sculpture, &c., &c., though their cost was enormous, are worth far more than that. Immense is our indebtedness to the genius, industry, and thrift of past ages for the wealth they have bequeathed us, and signal our obligation to transmit these blessings, not merely unimpaired, but enhanced, to those who will come after us.

And, however great our obligation to the departed for the palpable, material wealth they bequeathed us, they have laid us under still greater obligation by their magnificent legacy of experience and skill. Having this, we might in time, were they all swept away, recreate most of our worldly possessions; deprived of it, we could scarcely, and with great difficulty, preserve our bare lives. The teeming millions of China are constantly

near the brink of starvation,[1] which many of them daily overpass; less, I apprehend, because of the density of their population than of the rudeness and inefficiency of their labor-saving devices. On the other hand, so prodigious has been the progress of invention in Europe that the steam-engines of Great Britain alone have been estimated as equivalent in force, if not in productive capacity, to six hundred millions of men. Cheap beyond comparison as is the labor of Eastern Asia, the machinery of Great Britain competes with it in its own markets, rivals it, undersells its products at the very doors of the producers, divests them of employment, and dooms them to die of famine. In my early boyhood, Chinese cotton fabrics, known as Nankins, &c., were extensively worn, even by the poor, in New England; but that trade was destroyed by British and American power-looms nearly half a century ago; and now the peasantry of China and India are largely clad in the products of those looms. Cotton grown in India is extensively shipped to England, there spun and woven, returned in the shape of fabrics to India, and there worn all but exclusively by those among whom it was grown, who would gladly have spun and woven it for six-pence sterling per day's work, yet who paid the cost of two journeys around the Cape of Good Hope, that of the British manufacture, the interest on its value during its long absence, and the profits of several mercantile transfers, and yet were supplied with it in the market of India at lower cash prices than her own looms could afford.

Now I would not have had India rest content evermore with her rude, inefficient, antiquated hand-looms, and for their sake exclude the cheaper fabrics of the Occident;

[1] Mr. Burlingame informed me that the estimated loss of life in China by reason of the late formidable "Taeping" rebellion was no less than *twelve millions* of human beings, most of whom died of want.

but I *would* have had her say in effect to her spinners and weavers: "Purchase and import, or rival and surpass, the British machinery, and acquire the skill needed to work it; meantime, the duties on imported fabrics, whether British or other, shall be fixed so that you cannot be undersold and driven from the home market while you are making the requisite experiments and efforts." I would have done this, had I been in power in India, in the interest primarily of my own country and her people, but ultimately in that of Labor everywhere, and the permanent well-being of the whole human race.

In the infancy of our country, there were those who honestly believed and argued that she should sedulously eschew all species of manufactures, and devote her industry wholly to agriculture, as the nobler, more healthful, more invigorating pursuit, and that which would most surely conserve the virtues and the liberties of her people.[1] This, in practice, would have constrained our people to cling to the coast of the Atlantic and the valleys of the navigable rivers which pay tribute to that ocean. True, they would have ultimately constructed canals and railroads reaching out into the broad West; but the cost of transporting grain and other bulky staples thence to Europe in such enormous quantities as would have been required to pay for all the wares and fabrics we require, would have eaten up three fourths of the proceeds, and kept the growers poor and in debt evermore. Were "our workshops in Europe" (as Hamilton's antagonists contended that they should be and remain), we could not have sold abroad our raw staples of food and clothing in the requisite quantities, but must have lived in rude poverty indefinitely. That our people are ingenious and energetic is undoubted; but

[1] See Alexander Hamilton's celebrated Report, as Secretary of the Treasury, on Manufactures — 1791.

they would have found it no more easy to make brick without straw than did the Israelites in their Egyptian captivity. No great invention ever yet sprang full-armed from the brain of its author; as a general rule, none but a weaver invents or improves a loom; and nearly every machine of great value is the product of a score of successive inventions, by nearly so many different laborers thereon. Those countries only which cherish and delight in labor-saving devices have added aught of moment to the world's inestimable aggregate thereof. Europe could not now afford for a billion of dollars to lose the inventions and improvements in machinery for which she is indebted to America, and the great mass of which, in all human probability, would never have been, had the policy of buying from Europe every article of manufacture, which marked and fitted the era of our colonial dependence, been persevered in to this day.

Our oldest manufactures are naturally our cheapest and best. Europe cannot rival our axes,[1] adzes, and other edge-tools; nor can she surpass, either in quality or cheapness, the spades and shovels extensively made by one Massachusetts family throughout the last fifty years. Cut-nails are an American idea; and no other nation yet makes them so cheaply or half so abundantly. We have begun, after many years' trying, to make wrought-nails also by machinery, and will naturally keep the lead in this department also. I have heard that the screw-auger, whereby the cost of boring holes in timbers was reduced more than half, is a Connecticut invention, and never patented, though its value to mechanics defies

[1] Colonel Ashbel Smith, first ambassador to Great Britain from the Republic of Texas, informed me that he (being a Southron) purchased in England, on his first visit, a supply of British edge-tools, and sent them home for sale; but their quality was so strikingly inferior to their Yankee rivals, that no one could be found in Texas to use them.

computation. The planing-machine, the innumerable reapers and mowers, the sewing-machine, and ever so many kindred trophies of Yankee genius for invention, have enriched not our country only, but the civilized world. And, as the cotton-gin would surely not have been invented here had not the cotton culture preceded and required it, so the arts, in the prosecution of which other American inventions were called into being, had to be previously known and practised among us, or the world must have waited indefinitely for the triumphs they incited. We are, I rejoice to learn, on the eve of a similar stride in the production of all forms of wrought or malleable iron, through a Pennsylvania invention whereby the expensive process known as puddling is to be superseded or immensely reduced in cost; and a thousand other beneficent applications of inventive genius to the cheapening of processes, the increase of products, are on the point of practical realization. No man can truthfully suggest an article which, having formerly been wholly imported, has since, through Protection, been so naturalized on our soil that it is now produced here nearly to the extent of satisfying our own wants, yet which now costs our people more than it did when we procured it from abroad. And the area whereon such achievements are possible is by no means fully occupied. We shall yet make our own crockery and finer kinds of pottery, which we still mainly import, and shall grow as well as manufacture the silks for which we are still mainly indebted to the insects of China and the looms of France, we having in California a more genial climate for the silk-worm than Europe or Asia can boast; while we are already reeling and spinning, on American machinery invented for the purpose, vast quantities of raw silk imported in an imperfect or damaged condition (answering to the "swingle-tow" of flax),

which all the ingenuity and patient industry of "the Flowery Land" had given up as hopelessly intractable and worthless. So shall we continue, under a beneficent policy of encouragement and support, to develop new and larger possibilities of industrial achievement, and, in expanding and diversifying our own national industry, benignantly stimulate, and ultimately renovate, that of all mankind.

The rights of those who create Intellectual Property are less clearly defined — perhaps less capable of unerring definition — than those of the producers or transformers of material substances; yet they seem to me not less real, beneficent, and defensible. Let us suppose that four brothers commence responsible life with equal patrimonies, equal capacity, and like habits of industry, temperance, and frugality. Twenty years afterward, one of them, who has devoted his energies to farming, has a fine estate, a commodious dwelling, a handsome herd of cattle, a good collection of implements, a library, and all the material elements of independence and comfort. A second has addressed himself to the construction of locomotives, and has done as well thereby as his farming brother. A third has given himself up to the study of mechanics and engineering, and has, after many disappointments, perfected a new steam-engine, whereby the power required to move a train or boat of so many tons at a given rate per hour is reduced at least twenty-five per cent. The fourth has addicted himself to literature, art, and poetry, and has produced a book which one hundred thousand of our people annually read, deriving pleasure and instruction therefrom which they would rather pay him for than forego. I ask why this inventor, and this author, have not fairly earned, and are not as justly entitled to, the price that others prefer to give rather than forego the advantage or pleas-

ure derived from their products, as are their brethren, the farmer and the locomotive-builder, to a like remuneration for the use of *their* products? If, as Thiers forcibly says,[1] "The indestructible foundation of the right of property is Labor," then, surely, the right of property in Elias Howe to that combination of the needle with the shuttle which gave practical existence and value to the sewing-machine, of Alfred Tennyson to "The Princess," "Maud," "In Memoriam," and "The Lotus Eaters," is as perfect as any right of property can be. For the craftsman merely fashions, adapts, or recasts, materials coexistent with the earth, and which may be regarded as in some sense once the common property of mankind; while the inventor, the poet, builds out into void space, makes chaos luminous, and adds potentially, and as it were by original creation, to the enduring wealth of mankind. I cannot perceive how or why his right of property in his product is not at least as perfect and pervading as that of the maker of a locomotive, the grower of grain.

I have considered what has been urged in favor of a restriction of this right of property to the material thing wrought upon, — to the particular locomotive built by the inventor, the author's manuscript copy of his poem, — and it seems to me palpably absurd. For what the inventor has labored twenty years to perfect is not the single particular locomotive on which he expended his handiwork, but *all* locomotives to be thereafter built; his efforts were incited and upheld by a desire to make *all* locomotives henceforth less costly or more efficient. This he has achieved, or nothing; herein he has succeeded, or not at all. Once completed, the machine whereon he has labored so long may accidentally take

[1] The Rights of Property: A Refutation of Communism and Socialism. By Adolphe Thiers.

fire and burn to ashes, yet no one, surely, would thence infer that his labor had been in vain.

Suppose that one who differs from me on this point were to drop in at a friend's house, while some one was there reading aloud Childe Harold, and should be asked in a whisper by a non-literary acquaintance, "Whose poem is that?" I cannot doubt that he would truly answer, "Lord Byron's," no matter though he saw the letter-press, and read "Published by Harper and Brothers" on the title-page. The rights of author and publisher in the premises are perfectly distinct, and nowise clash with each other. The fact that those are (or were) citizens of different countries, natives of diverse hemispheres, does not vitally affect them.

I deeply regret that any one who upholds the Rights of Labor and the duty of protecting those rights devolved on Government should question the policy of International Copyright. Were there no other reason than that afforded by patriotism, I should insist on according copyright to foreign authors. In its absence, their works are sold in our markets for the bare cost of paper and printing, and bought because of their relative cheapness by the great mass of our less-instructed, least-reflecting readers, whose opinions are thus moulded by Bulwer, Alison, Disraeli, Dickens, Michelet, Professor Wilson, Victor Hugo, George Sand, Thackeray, Wilkie Collins, the Trollopes, far more than by our own best writers. I do not regret that foreign authors are extensively read here; I do not deny that some of them are eminently deserving of their American popularity; but I protest against the legislation, or lack of legislation, on the part of our rulers, whereby foreign works are habitually — nay, necessarily — proffered cheaper to our people than those of our own authors. This is unjust to both alike, — to those whom it deprives of

readers, and those whom it gives more than their fair proportion of readers, but denies compensation for their work. Walter Scott barely escaped dying a bankrupt, when one cent per volume from his American readers would have saved him from pecuniary embarrassment, smoothed his downhill of life, and perhaps enabled him to live longer and write more and better. I wish we had rendered him naked justice.

As to the abolition of the Patent system, which has of late been influentially advocated, I shall be more easily reconciled to it when I learn that it is to be swiftly followed by a repudiation of *all* rights of property whatever, — or, more strictly, of all legal guaranties and defences of such rights. Whenever the laws of my country shall refuse to protect the inventor, they should, in simple consistency, bid the land-owner, the bond-holder, the merchant, the banker, "Take care of yourself, and of all that you call your own!" Assuredly, no man's right to the wild lands conceded to his ancestor by a European monarch who never saw, and knew not how even to bound them accurately, can be better than that of Eli Whitney was to his cotton-gin, or that of Daguerre to photography. When these shall be successfully denied, be sure that *no* rights of property can be secure.

"Then, why not make patents and copyright absolute and perpetual?" is often asked. I answer, there are *no* absolute rights of property. The land you bought of the government yesterday may be taken from you for the bed of some highway or railroad to-morrow, and you have no redress. *All* rights of property are held subordinate to the dictates of national well-being; and the government will batter down or burn to ashes your house, if it shall have become (through no fault on your part) a harbor or defence of public enemies, and make

you no compensation therefor. I only insist that intellectual property shall be recognized by law as standing on a common foundation with other property and equally accorded the protection of the state and the respect of all who hold property no robbery, but justly entitled to deference and support from the wise and the good.

The right of an author to compensation for his labor from so many as choose to use or enjoy its product being conceded, it would be proper and reasonable for our government to say in effect to foreign authors: "Since the ability of our people to read has been very largely increased by the systematic appropriation of one thirty-sixth of our Public Lands to the support of Popular Education, and since most of our States have likewise expended large sums in promoting the same good work, thereby vastly increasing the sale of books in this country, we fix a maximum rate or percentage on the selling price which you may exact of our publishers as copyright, and with this you must be content." I hold that this would be in accord with that provision[1] of the Federal Constitution which stipulates that private property should not be taken for public use without just compensation. I hold that thus may public interest be harmonized with private right, and our country made to assume a more creditable position among the nations of Christendom.

[1] Amendment V.

IV.

MONEY — THE BALANCE OF TRADE.

THE general good demanding and being subserved by the widest possible diffusion and practice of regular, systematic industry, whatever tends to incite to and induce such industry must be accounted as in so far a public good. And prominent among the agencies which tend to overcome man's natural indolence is MONEY. Labor being distasteful, especially to barbarians, the realized presence of a strong stimulant to productive effort is indispensable to the formation of habits of industry. There was never a savage so stolid, so rude, or so lazy, that he would not work rather than starve: if he famishes through his own fault, he does so because he was not suffering from hunger in summer, when he should have done the work; and, now that winter has brought absolute destitution, no effort that he could make would avail him. "Quashee, up to his ears in pumpkin," as Carlyle characterizes the emancipated, indolent West India negro, is but dimly conscious of other and higher wants than those so cheaply, though indifferently, satisfied by his abundant food, his narrow, flimsy hut, his ell of coarse cotton to cover his loins, and his gourd-shell calabash. These may cost him an hour's effort per day, — possibly, a day's exertion per week, — leaving him the rest of his time for sleep or play; indolently changing from sunshine to shade as temperature shall dictate. Thus I saw in eastern Kansas, ten years since, a score of half-civilized and (I believe) wholly christianized Delawares, sitting in company under the

shade of the stately forest which belts the streams of that region; men, women, and children, chatting and laughing the day out, as they had evidently done through many previous and would do through many succeeding days, though it was the height of the planting season, and the weather and soil most propitious. They played through the spring, because they realized no adequate inducement to work. Among our half-barbarized pioneers of the border, the same tendency is evinced, somewhat modified by differences of race, training, and condition. I have known frontiersmen of pure New England blood who, having moved on from infancy a little in advance of civilization, would earn good day-wages by faithful work when destitute; but who, with a bag of meal, a ham or saddle of venison and a bottle of whiskey on hand, could by no means be induced to work till these ran short, though it was in the midst of harvest, with labor in eager demand, and with wages at the highest. "What is the reason," asked a friend of one of this class, "that you, who always do a good day's work for another, never seem to accomplish anything when working for yourself?" — "I hate to work for a poor paymaster," was the prompt response. To impel uncultured races and individuals to work steadily and faithfully, it is essential that the inducement should be palpable and the recompense imminent. The lowest in the scale of civilization will work for prompt pay when pressed by want; while only the enlightened and truly civilized will drain morasses and plant forests for the benefit mainly of generations yet unborn.

Money — whose origin is lost in the deep darkness of pre-historic ages — is admirably calculated to combat and master the baleful spell of indolence. In itself, subserving hardly a want, in its attributed, artificial, representative character, it inflames, while it promises

satisfaction to, every material desire. He who might refuse to work for the grain of the farmer, the timber of the forester, the iron of the smelter, the table or bureau of the cabinet-maker, may yet labor freely for the money of either; because this will command at will the product of either or all of these and of thousands beside. Industry is thus extended, quickened, intensified, rendered habitual, by the adoption and use of Money. And, as the labor unemployed on the instant perishes utterly and forever, and even involuntary indolence to-day tends to voluntary and chronic idleness in the future, it is manifest that the comfort, enlightenment and progress of the race have been immensely promoted by the creation and use of Money.

Gold and silver, thence termed the precious metals, were originally recognized as money for obvious reasons. Scarcely subject to oxydation, they are well-nigh imperishable; procured with difficulty, and in moderate quantities, they are of high cost in proportion to their bulk, rendering large values cheaply transferable therein; while their beauty and ductility rendered them objects of universal desire, even before their extensive use in the arts and in the economy of households had induced a full appreciation of their intrinsic worth. They owe their employment as money to no political favor or patronage, since it appears to have preceded the foundation of states or the creation of governments, other than those of the most primitive patriarchal stamp. Originally valued and transferred by weight (as the gold obtained by digging and washing on our Pacific slope often is to-day), governments long ago increased their utility by dividing them into pieces of definite shape and weight, and at length stamping or declaring on its surface the value of each piece. Modern assay has fixed more exactly the value of each piece, which coinage has beautified, while

definitely proclaiming that value. Coins have come at length to boast a historic worth; and it is lamentable that, through Washington's modesty or ill-judging apprehension, those of this country fail to bear, like those of Europe, the likeness of the Chief Magistrate under whose Presidency they were minted. The objection that to place the head of a President on the coins struck during his term would savor of monarchy seems to me childishly fantastic. Who would be more likely to idolize, or to abase himself at the feet of, a Pierce, Buchanan, Lincoln, or Johnson, because of the substitution on our coins of his features for the unmeaning figure which (because of its cap) is now understood to image and body forth Liberty?

Paper Money, though as yet imperfect and liable to great abuses, was and is a signal improvement on a currency exclusively of coin. Aside from loss by wear and by shipwreck, conflagration, or other calamity, coin fulfils sluggishly and rudely, in a civilized, wealthy, and commercial community, the functions of money. The payment and receipt of a million dollars in coin (and the transfers of money in this city alone amount to hundreds of millions per week) require considerable time and the labor of several hands, especially if counterfeits are to be watched for and light or clipped coins rejected; while the same million dollars in paper may pass through many hands and pay many debts in the course of a winter morning; each transfer being effected by the delivery and receipt of a bank check or draft, filled up in a minute and passed from hand to hand like a single coin: the money which it represents lying all the time quiet in the vaults of some bank, which it requires only to make good in due time the balance which may thereby be scored up against it at the clearing-house. If silver and gold were as plenteous as pebbles, it would still be found advantageous to create and use paper money, because of

its immensely superior efficiency in effecting exchanges, squaring accounts, or paying debts. By means of checks or drafts drawn against sums deposited in bank, one man can receive and pay more money in a day than one hundred could do if nothing but specie was recognized as money, and if all payments were made in coin. Paper money, then, is a labor-saving device of immense capacity and efficiency, as clearly so as a modern reaping or sewing machine: hence, it will be more and more used indefinitely, in spite of its frequent and glaring abuses; just as the use of Steam is always extending, in spite of repeated and calamitous explosions, which science and inventive genius are constantly laboring to prevent or diminish, — mankind never dreaming of discarding the use of Steam itself. Counterfeits and kindred frauds there would be, even if nothing but coin were accepted as Money; but they would be far less common and less disastrous than now: yet the advantages and benefits of Paper Money so vastly outweigh its abuses and evils that it can nevermore be given up; and, if Governments were unwise enough to proscribe it, the substitute suggested by necessity or devised by knavery would be found to embody all the evils of a legalized Paper Currency with but a small share of its benefits.

A young people, a newly settled or recently civilized country, naturally realizes a dearth and keenly feels the need of Money. Its wealth is necessarily scanty; while its people are pressed on every side by wants, — wants of tools, seed, stock, buildings, &c., &c. Almost every one wants these faster and in larger quantity than he is able to pay for; a great many would like to obtain them on credit and pay for them out of the proceeds of future harvests or earnings. Such a people have little money at the outset, and very little produce to spare for years wherewith to procure more; their labor being largely, if

not mainly, devoted to clearing away forests, building, fencing, &c., which yield no instant, salable, exportable return. The more rapid the growth of such a community, the stronger its tendency to send away its scanty stock of Money in exchange for metals, wares, fabrics, of which it is in constant and pressing need. Hence, the ability of its banks, if banks it has, to maintain specie payments, is often sorely tried, and, unless they be managed with signal probity and circumspection, will sometimes be overborne. If Paper Money be forbidden by its laws, interest will rule high, usury will devour the substance of its masses, and the sheriff and the constable be constantly at work among them, selling property at a heavy sacrifice, and paying debts in a ruinous fashion through the medium of judgments and executions. There are counties in this State whose pioneers wrestled forty years with the great forests which formerly enveloped them, suffering meantime serious intellectual as well as physical privations, which might have been triumphed over in half the time had they been fairly supplied with Money, or could they even have borrowed it on ample security and at reasonable rates of interest.

Now it does not suffice to say that what they needed was not merely Money, or a medium of exchange, but Capital; for they suffered from a want of Money independently of their lack of Capital. The farmer, the wheelwright, the manufacturer of wooden-ware, &c., each having his scanty available capital invested in the implements of his industry or the products of his own labor, are often exposed to great difficulty and delay in exchanging what each has to spare for what he most needs, because of the dearth of Money. And it is hard for them, just as, having gained a foothold, they are beginning to produce somewhat to sell, so as to satisfy their most urgent needs, to be obliged to give a considerable part of

it for counters (for such is the use of Money *as* Money), wherewith to effect their exchanges. Hence, the utility and the popularity in such communities of well-managed Banks and their issues.

I hold that the very general and deeply grounded deprecation of an adverse *Balance of Trade*, whereby Money is carried out of the country and its return precluded, is sound and wholesome. The evil contemned may not be clearly apprehended, — the popular instinct may not find adequate or accurate expression; yet the uncultured masses are on this head wiser than the philosophers who have graciously condescended to illumine their darkness and dispel their vulgar prejudices. It is not well for a nation to buy more, year after year, than its surplus products will pay for; it is not well to import luxuries and fripperies that "perish in the using," and export specie, or bonds, or any kind of mortgages on posterity, to pay for them. The nation which persists in so doing inevitably plays the part of a prodigal, and invokes the heaven-sent penalties of culpable folly. The dissertations of the Free Trade economists in contravention of this truth assume conditions which do not exist, and pummel men of straw of their own creation. To my mind, they miss the point entirely.

Bastiat[1] says: —

"It is a very unimportant circumstance whether there be much or little cash in the world. If there is much, much is required; if there is little, little is wanted for each transaction. That is all."

Mill[2] says: —

"The uses of Money are in no respect promoted by increasing the quantity which exists and circulates in a country; the

[1] Essay entitled "What is Money?"

[2] Principles of Political Economy, Vol. I. Preliminary Remarks. Fourth Edition.

service which it performs being as well rendered by a small as by a large aggregate amount."

Now I have misread history if the steady diminution of the aggregate of Money circulating in the Roman Empire, through the constant, insensible draining off of Specie to India and China in payment for their Silks, Spices, and other luxuries coveted by the rich, was not among the most potent causes of the decay and ultimate downfall of that colossal fabric. And I am sadly in error if the rapid and vast augmentation, after the discovery of America by Columbus, of the volume of Gold and Silver circulating throughout Europe, did not powerfully conspire with other causes to improve the condition of the masses, to increase their comfort, intelligence, energy, power, throughout the civilized world.

But the real matter in debate is not touched by the assumption that the instant annihilation of half the money *in the world* would be no calamity, — the half that remained answering every purpose, performing every function, that the whole now does. True, I demur to this proposition; but I dissent still more strongly from the constant assumption of the Free Trade economists that for a country to part with half its Gold and Silver in payment for foreign fabrics can work that country no serious harm. They say: "The bushel of grain that formerly cost a dollar now sells for half a dollar; but the rural day's work that formerly commanded a dollar now costs but half a dollar likewise; and so with everything else: hence (except to debtors) the change wrought is nominal only: who is harmed by it?"

I answer, Great damage accrues to all the industrious and thrifty, but especially to the workers for wages, when, through whatever cause, *payment in money is generally superseded by payment in commodities*, — that is, in farm produce, store orders, &c., &c. And this change

almost uniformly follows as a natural result a rapid and serious diminution of the volume of the currency.

My distinct personal recollections on this head go back to the period of industrial derangement, business collapse, and wide-spread pecuniary ruin, which closely followed the close, in 1815, of our Last War with Great Britain. Peace found this country dotted with furnaces and manufactories which had suddenly grown up, during the few last preceding years, under the precarious shelter of Embargo and War. These — not yet fairly established, in a country whose commerce was almost wholly external or confined to the seaboard, — steam navigation being yet in its infancy, and canals or railroads unknown among us — found themselves suddenly exposed to a determined and resistless competition from abroad. Great Britain, under the ægis of her vast naval armaments, had pushed her fabrics into almost every corner of Asia, Africa, South America, and the isles of the sea, meeting no competition but from the products of the rudest and most inefficient barbarian rivals, ignorant alike of spinning-jennies, power-looms, and steam. Of some of her fabrics, great stocks had nevertheless accumulated, falling behind the fashions, and only salable at prices far below cost. These were now thrown upon our markets in a perfect deluge, being advertised in the Boston journals at "pound for pound," — that is, what had cost $ 4.44 (really $ 4.80) to manufacture in England, being offered in Boston, duty and all charges paid, for $ 3.33. The tariff of 1816, mainly framed by William Lowndes, was intended to afford some barrier against this inundation, but proved utterly inadequate, except with regard to coarse cottons and a few other comparatively rude products. Our Manufactories went down like grass before the mower; our Agriculture and the wages of Labor speedily followed. In New Eng-

land, I judge that fully one-fourth of the property went through the Sheriff's mill; and the prostration was scarcely less general in any part of the country. In Kentucky, the universal and intolerable pressure of Debt incited a popular but illegal overthrow of her judiciary and the establishment of a new one in its stead for the sole purpose of staying the legal collection of debts; and the conflict of authority and jurisdiction between the "Old Court" and the "New Court" convulsed the State with faction and anarchy for a number of years. Here in New York, the principal merchants united (1817) in a memorial to Congress for legislation to save our Commerce as well as our Manufactures from utter ruin by increasing the Tariff and prohibiting the sale by auction of imported fabrics. They say: —

"Your memorialists, witnessing the sinking condition of the *commercial* interest of our country, have, upon investigating the causes, been led to the full conviction that nothing short of the protecting arm of the Government can rescue it from that ruin to which it is rapidly approaching.

"That, since the peace in Europe, the interdiction of British manufactures on the European continent, conspiring with other causes which we shall notice, has not only occasioned our markets to be glutted to an alarming degree, but has diverted trade from its best and accustomed channels, and given it a direction which, if pursued, must inevitably ultimate in the ruin of the *mercantile* establishments of our country.

"Sympathy and patriotism combine to induce us, while on this subject, to speak also on behalf of the *manufacturing* interest of the nation. The same causes which are operating the destruction of our commercial prosperity are fast precipitating our manufacturing brethren into the abyss of ruin. The fate of the one is necessarily involved in that of the other, and the destiny of the nation inseparably interwoven with the welfare of both."

My father migrated from New Hampshire to Vermont

in January, 1821; and I remained a resident of the latter State for the next decade, or from my tenth to my twentieth year. During that term, though hiring and working for wages were common in Vermont as elsewhere, I am confident that not one dollar in twenty there earned as wages or paid for farm produce was paid in money. Grain, orders on some "store," &c., &c., were the universal media of payment; very little money was seen or circulated, and that little mainly in connection with the "lumbering business," — that is, the cutting, sawing into boards, and drawing or rafting away, of the scattering pines still hidden in clefts of the mountains or in morasses hardly more accessible; no one expected to be paid in money for work, or grain, or meat, unless such payment was expressly stipulated; and, when I was apprenticed to the printing trade in 1826, it was prescribed in writing that I was to be allowed my board and forty dollars per annum, payable in clothing or store-goods. Such was, even yet, the usage, though money, since the passage of the Tariff of 1824, was not so lamentably scarce as it had been. Barter was still the general rule, as it has long since been for years in the payment of mechanics in very considerable and growing cities of this State.

Now, I cannot state the precise extent to which the country had been drained of its specie by the excessive importations of 1815–24; but I know that our export of the Precious Metals within that term left us considerably more than half the amount we possessed at the close of the War. And, before a quarter of our specie had gone, — when it was simply realized that it was going, — all the channels of circulation seemed to have been suddenly frozen. The few who had money hoarded and clung to it; the many who needed sought it anxiously, but in vain. Many banks failed or were wound

up; taxes, though low, were paid with difficulty; those who sold out to migrate westward, and must have some money for travelling expenses, parted with lands, cattle, implements, crops, furniture, &c., at very low prices. I remember seeing a bale of Hops sold at auction by a sheriff in New Hampshire (1820) at one cent and a sixteenth per pound, — less than $ 25 per ton. I judge that more New England families were reduced from comfort to want in the years 1817–20 than in the next half-century.

This, then, I hold a fundamental error of the economists in question: They assume that, if half the money in a country leaves it in payment for goods imported, the residue will perform the function previously devolved on the whole, save only that there will be a general reduction of prices; I, on the contrary, insist, and appeal to the experience of mankind to sustain me, that in such case the remainder, so far from subserving the end formerly answered by the larger volume of currency, will not even subserve half of it, for it will all but cease to circulate at all. Money may continue to be, in some vague sense, a measure of value; but it will cease to be usually proffered and received in payments for Labor, for Produce, or for almost any form of commodity. In its absence, the people will quite generally be driven back to Barter, — a discouragement of industry, and a long stride on the downward road to barbarism.

Let me now deal directly with the *Balance of Trade.* The opponents of Protection have no difficulty in knocking down the man of straw they have set up for the purpose, and demonstrating that *a nation may grow rich while the declared or Custom-House value of its Imports exceeds that of its Exports.* Bastiat fairly outdoes himself in the flippancy and self-conceit wherewith he shows that,

exporting a cargo of Ice valued at $1,000, and bringing home in exchange therefor a cargo of Lemons, worth $10,000, is not a losing business, — as though we did not understand that quite as well as he does. It is not our position that an importation of Goods valued at $100,000,000 per annum, balanced by an exportation of Produce valued at $80,000,000, is necessarily ruinous. We quite understand that the Produce so valued may have paid for the Goods, and even left a balance on the right side of the account. The *presumption* is otherwise; still, the *fact* may be thus. We do not determine that the balance is against us *merely* because our Imports are officially valued higher than our Exports.

But when a nation is, year after year, drawn upon for coin to pay balances standing against it in the foreign marts whither its Produce is sent, whence its Fabrics and Wares are imported, — when its Banks, because of such drafts, find it difficult, and sometimes impossible, to maintain Specie Payments, — when the obligations of its Government, of its States, provinces, counties, or cities, and of its industrial or moneyed corporations, are constantly tending abroad for sale, even at ruinous rates, with no counter-current of securities in the opposite direction, — when such a country finds its banks founded in part on foreign capital, its mines sold out to foreign creditors, its railroads in good measure owned and managed, if not actually constructed, by them, and everything tending more and more to make its people toil and sweat through future ages to pay barely the interest and dividends which must necessarily be due from them to foreigners, then I submit that the course on which that country has entered is perilous, and portends evil at hand. I do not insist that a nation should prize gold and silver above all other wealth, seeking to import and amass them; I do not say that a moderate efflux of the

Precious Metals from a country which bounteously produces them is to be deprecated; I do not say that a nation should never owe a stiver abroad nor import a fraction more than its exports in a given year: but I *do* firmly hold that a nation, like an individual, or a family, should generally pay as it goes, — should buy no more than it can pay for, — should dread running into debt and avoid it when it may; and that the exportation of its coin or bullion beyond the amount of its annual product is improvident, thriftless, and tempts as well as tends to grave financial disasters. I hold running in debt to foreign nations for stuffs, luxuries, and gewgaws, that we might well do without, is prodigality, and is defrauding our children of their rightful heritage. In time of peace and fair harvests, we *need* not run in debt to foreigners, and we *should* not. Let us cut our coat according to our cloth, — live within our means, — earn more or spend less, — and try to bring our current expenses within our accruing income, so that we may soon begin paying off the enormous debt — not this day a dime less than One Billion of Dollars — which we have unwisely incurred, and which our Civil War but partially caused and can but partially excuse. Such is the Protectionist view of the Balance of Trade. Read Bastiat and his servile followers, and see if they clearly comprehend or honestly meet it!

V.[1]

PAPER MONEY — INTEREST — USURY.

If one were to walk up any of our thronged streets, and ask every stranger he met, "Would you like to borrow ten thousand dollars?" it is probable that, if the inquiry were presumed to be made in good faith, ninety to ninety-five of each hundred would eagerly answer "Yes." Ours are a sanguine and an enterprising people, most of whom believe that they need but Capital to enable them to achieve great results. And yet it is not probable that one fourth of those who so borrowed $ 10,000 would ever be able to repay it. The capacity profitably and safely to employ and invest so large a sum is even rarer than its possession. Few learn how to use means much faster than they, by industry and management, acquire and retain them; and those most eager to borrow are generally the slowest to pay. Of young men who have as yet earned little or nothing, I doubt that even so many as one in ten would be benefited by a considerable loan, at least until they had laboriously earned and honestly saved a like amount.

Still, the desire to borrow, so prevalent with us, rests on a perfectly intelligible and unobjectionable basis. An extraordinary proportion of our young men aspire to position, consideration, fortune, and expect to achieve these by Trade, or in some department of Productive Industry. Born poor, they seek independence through the use of Credit. Others have borrowed, adventured, and succeeded: these are conspicuous, and seen of all men; while the far greater number who have failed con-

clusively, and died or sunk into obscurity, are unnoted and soon forgotten. If there were ten times as much to lend, there would be no lack of borrowers, provided the security proffered were acceptable.

To a community thus suffused with the spirit of aspiration, of adventure, of industrial and commercial enterprise, the use of Paper Money is as natural as breathing. I do not believe its suppression a possibility, even. If Government should proscribe it, it would set Government at defiance; and we should only have a worse Paper Currency in lieu of the present. Drive out Nature with a pitchfork, says the proverb, and she will return in spite of you and your pitchfork. So it would be with Paper Currency.

In California and her adjuncts, Gold and Silver being staple products, it was early resolved that they alone should be received and circulated as money; and that resolve has been pretty generally lived up to. I cannot learn that any of the expected benefits have been realized. The ruling rate of interest at San Francisco was long three per cent. per month on ordinary and at least two on the best securities; it has at length fallen to twelve per cent. per annum. I do not understand that over-trading has been less common, credit less abused, or failures less frequent and disastrous, there than on the Atlantic slope; nor do I believe that the spirit of rash, presumptuous adventure has been at all checked by Hard Money and Legalized Usury.

I object to legalizing unlimited Usury that it tends to put the business of the country, with the use of its floating capital, largely into the hands of the more sanguine, headlong members of the community, — of those who will bid highest for loans, rather than those who will use means most discreetly and safely. I am willing to see our usury laws so modified that any one may lend

money at exorbitant rates, provided he will make his own collections and not trouble the State in the premises. Let him, incurring no penalty, ask three per cent. per day, if he will, and let those who choose pay it; but I hold it contrary to good policy that such rapacity should be upheld by law. Let the legal maximum of interest be fixed and notorious; let those who see fit exceed it at their own peril; let their usurious obligations be debts of honor, and let those pay them who see fit. The State goes far enough when it undertakes the collection of debts contracted in accordance with its convictions of sound, beneficent policy; as to all other contracts, let them stand or fall as they would do if the State did not exist.

But I differ irreconcilably with those who argue that Interest is unjust, — that a creditor should receive the amount he loaned, and no more. If an apple-tree of four years' growth is naturally more valuable than one of one or two years', then it seems clear that he who loaned me $ 100, still unpaid, with which I bought a hundred apple-trees from a nursery three years ago, has now a larger claim upon me than if he had loaned me the like sum wherewith to purchase similar trees one year ago. So the thrifty farmer who has seed-wheat at sowing-time, while his poorer neighbors have none, being solicited by them to lend it on promise of repayment out of the next crop, might fairly say, "If you are to pay me barely the quantity lent, I prefer to keep my wheat and be sure of it, rather than lend it at the risk of losing it." If to be idle half this year involves no penalty beyond that of making up the lost hours in some future year, indolence would vanquish thrift far oftener than it now does. Man's energies are spurred to activity by the knowledge that all savings are fruitful, — that the $ 100 earned and saved at one-and-twenty will have become

$1,000, if carefully invested, before its owner is seventy. To make men industrious, provident, saving, seems to me one chief end of a true, beneficent public policy; and this would be contravened by denying the rightfulness of Interest. If he who lends $10,000 for a year is entitled barely to the return of his principal, then he who lets a house or farm worth $10,000 is entitled to its restoration intact at the year's end and no more; and all rights of property are limited to its personal use by the owner. Evidently, apart from the consideration of justice, mankind cannot afford to discourage saving, by denying the rightfulness of Interest.

Banks were originally places where money could be deposited for safe-keeping, with reasonable assurance that it would be returned on demand; and such they long remained. After a time, the certificates or receipts given for sums so deposited passed in trade for the sums they severally represented or specified, being simply orders on the bank for the transfer or delivery of so much money. At length, it was discovered that, so signal was the convenience and general acceptability of these receipts or tokens, they might safely be issued in excess of the coin at any time on deposit, being balanced and secured by the notes on interest of borrowers, who could be relied on to pay when required. Such in effect is modern Banking. There is no deception in the case: The holder of the note is well aware that, if every note were presented at once, they could not be promptly met; but the bank's creditors are often among its borrowers and debtors, as well as its depositors and note-holders, and naturally solicitous to maintain its solvency and credit; hence, a bank has very rarely failed except from mismanagement and dishonesty on the part of its officers, unless caught in the whirlwind of some great commercial revulsion. And, though bad Banks have inflicted

much injury, and even ruin, I cannot doubt that Banking has, on the whole, been a benefit to our country, and that Paper Money has, in the large view, done us vastly more good than harm.

A currency of Paper exclusively — that is, of promises that are not redeemed on demand — is a far more questionable blessing. Our Revolutionary War was mainly fought upon Continental Money, — the promises of States to pay which were never redeemed, and were at length, having become worthless, by general consent, repudiated. In our Last War with Great Britain, all the banks but those of New England suspended Specie Payment; yet the Government, under the pressure of necessity, continued to receive their notes for Customs, Loans, and Internal Taxes, though their value was unequal and fluctuating. The Government, on the motion of Daniel Webster, returned to Specie Payment about two years after the War closed, when a part of the banks failed utterly and went into liquidation; the rest resumed, and went on as before the War. There were several other partial suspensions by the banks thereafter, and one, very general, in 1837, under the pressure of a great commercial revulsion; but the Government thenceforth collected its revenues in coin, and, despite one or two later partial suspensions, went forward on a specie basis, until December, 1861, when the banks broke down under the enormous requisitions made upon them for loans to uphold the prosecution of the War for the Union. A moderate issue of Treasury Notes had already been made; these, being receivable for all dues to the Government, had been kept at or very near par; but now a bolder and more comprehensive employment of the National Credit had become imperative. This was ultimately perfected in the Legal Tender act,[1] which pro-

[1] Approved February 25, 1862.

vided at once for a loan of $500,000,000 and an issue of Treasury Notes of the denominations of $1, $2, $5, $10, &c., to the extent of $150,000,000; each note to be a Legal Tender in all payments to individuals and to the Government, except that payments into the Treasury for Customs (Duties on Imports) and payments out of it for interest on the Public Debt should be made in coin. These Treasury Notes were not only to be received at par in payment of Internal Taxes and of subscriptions to loans to the United States, but they were fundable at the option of holders in the "Five-Twenty" loan created by the same act; so that a holder of "Greenbacks" (Legal Tender Treasury Notes), which drew no interest, might at any time convert them into bonds drawing six per cent. interest in coin, and redeemable after five and within twenty years from the date of issue. Beyond this, provision was stipulated for "the purchase or payment" of at least one per centum annually of the entire Debt of the United States out of the residue of the receipts from customs after paying the interest as aforesaid.

This measure was born of the agonies and perils of a great Civil War; it was (as passed) the work of many hands, and was bandied back and forth between the two Houses and their conferees, so that it differed widely in the event from any original draft or preconception; yet I doubt that so wise and salutary a scheme of War Finance had ever been devised by any Cabinet or Minister, or adopted by any European Parliament. It was guarded at every point, and, though necessarily looking to a wide departure from the Specie standard, provided thoroughly for an early return thereto. It was deemed necessary, a year or two afterward, to eliminate the important clause that provided for unlimited funding of the Treasury Notes at the pleasure of the holders; but

for which we should have returned perforce to Specie Payments long ago. Simply allowing holders of "Greenbacks" to convert them at par into "Five-Twenties" would have brought them up to par, or very near it, soon after the War closed. And now, if the Greenbacks were fundable, as the act aforesaid provided that they should be, they would rapidly flow into bonds, and the banks, thus deprived of "Legal Tender," would be obliged to redeem in coin or fail, insuring general resumption.

If we are ever to have a purely Paper Currency, — stable, yet elastic; irredeemable in coin, yet of nearly uniform value, — it must inevitably be built on the broad foundations of the act of 1862. It should be distinctly, avowedly, based on the Public Debt, and each note should specify (as the original Greenbacks did) "This note is payable [not in coin, but] in bonds of the Consolidated Debt of the United States," each having forty [twenty, thirty, fifty, as may be stipulated] years to run, untaxable, and drawing an interest of four per cent per annum, payable quarter-yearly. These bonds [Consols] should in turn be exchangeable at the Treasury for Greenbacks at par; so that, when Greenbacks were abundant, they would be converted into Bonds or Consols; when they became scarce, Bonds would be presented at the Treasury, and Greenbacks issued in exchange for them. I am not sanguine that any purely Paper Currency — that is, any Currency of Paper not redeemable in coin on demand — will be found in practice to subserve the ends of a true Circulating Medium and Measure of Value; but, if any will answer, this seems most likely to do so.

The idea of creating and maintaining a currency of Paper or Credit purely did not originate in the exigencies and necessities of War. More than twenty years ago,

Mr. Edward Kellogg, a retired merchant of our City, elaborated the plan of such a Currency, and expounded it in a volume,[1] which was the sequel to and complement of one previously put forth by him, entitled "Currency; the Evil and the Remedy." In each of these works, the author contends that our monetary system is mistaken and oppressive, — that it discourages enterprise, and oppresses poverty, while it aggrandizes wealth, enabling the few to enrich themselves inordinately at the expense of the many. In Mr. Kellogg's view, the monopoly of Money by the wealthy few is even a graver fault than the monopoly of Land; the greatest evil of which the poor are victims being the high rate of interest and the difficulty of obtaining money on loan. Mr. Kellogg maintains that *two* per cent. is a high rate of interest, and that every one who can give good real-estate security ought to be enabled to borrow thereon to the extent of half its appraised value, and that the Government should be ready and willing to loan to that extent. To this end he would establish a great National Bank (called by him a "National Safety Fund"), which should lend to every citizen requiring it, on a mortgage of real estate worth twice the amount, its Legal Tender paper, stipulating as follows: —

No. [689.] MONEY. Dated [June 5, 1869.]

$500.] THE UNITED STATES **[$500.**

will pay to the bearer FIVE HUNDRED DOLLARS *in a Safety Fund note on demand, at the Safety Fund Office in the City of* [*New York.*]

The above note, designed to serve as money, is not on interest; but the Safety Fund note, in which it is fundable at the pleasure of the holder, reads thus: —

[1] Labor and other Capital: The Rights of each secured and the Wrongs of both eradicated. By Edward Kellogg.

No. [446.] SAFETY FUND NOTE. Dated [Sept. 1, 1870.]
$500.] *One year from the* [**$500.**
1*st day of May next, or at any time thereafter,* THE UNITED STATES *will pay to A. B., or order, in the City of* [*New York*] FIVE HUNDRED DOLLARS; *and, until such payment is made, will pay interest thereon, on the* 1*st day of May in each year, at the rate of one per cent. per annum.*

The notes secured by mortgage given to the Government by borrowers as above, will bear an interest of *one cent and one mill per annum,* on each dollar borrowed, and will be payable only at the pleasure of the maker so long as the interest shall be duly met. The borrower who should object to this rate, or to giving the security required, must be hard to please.

I must demur to several of Mr. Kellogg's fundamental assumptions, viz. : "The powers of Money, which alone render it useful, are created by legislation; therefore, Money can possess none but *legal* value." I hold that Money had been created, or recognized by common consent, before governments meddled with it; that their interposition in the premises was but the recognition or declaration of a preëxisting fact. I do not deny that governments can create, have created Money, nor that there may be and is Money whose value is representative or artificial; I do not deny that this representative Money may efficiently, beneficently, subserve the ends of that Money which has original, intrinsic value; but I decline to confound the sign with the thing signified, and to suppose that Money may be created by the mere fiat of any human power. If such a monetary system as is above outlined were adopted, the value of the currency thereby provided would be influenced by many considerations, whereof its being received in payments to and made a legal tender by the Government would be two; but others would prove at least equally potent.

The very rate of interest stipulated, being far below what I conceive the intrinsic worth or annual rental of Capital, would insure a superabundance of currency, quickly followed by an enormous inflation of prices, whereby Speculation would be very likely to profit at the expense of honest Industry. During the process of wiping out with wheat at ten or fifteen dollars per bushel debts contracted when it was worth but one or two dollars per bushel, we should have brisk times and an easy money market; yet a large portion of the indebted class would be so intent on increasing their own enjoyments, or amassing wealth by speculation, that they would probably be as deeply in debt at the close as at the beginning. The necessity of paying other nations for their products purchased by us would still exist; our new money would of course be unacceptable to them; our gold and silver would soon have taken wings and flown over sea; and now the disagreeable necessity of paying — actually paying — for our Imports, will have returned in all its original force. If we buy Five Hundred Millions' worth (old style) of Foreign Products per annum, we must henceforth pay therefor what the outside world will receive as worth that amount; and this would embarrass us then as it does now. Mr. Kellogg holds that those who sold us Foreign Wares and Fabrics *must* accept and export our Produce in payment therefor, having no alternative; and such might be the case at first; but they would stop selling us when they could no longer sell at a profit, and constrain us to pay prices in our currency for their goods at which they could afford to purchase and export our staples. Admit that this scheme would lack some of the vices and impediments created by the iron money of Sparta, it still seems to me that Mr. Kellogg's currency, though at the outset it should make money ever so abundant and payments remarkably

easy, would end in throwing us back upon Barter, through the instrumentality of a legalized currency which must gradually lose the character, by failing to subserve some of the most essential ends, of Money.

I have given some consideration to this scheme, because the conception of a Currency of Paper purely has fascinated many acute minds, and has ardent apostles among European Radicals, intent on emancipating Labor from what they denounce as the tyranny of Capital. I do not say that the plan is impracticable; I believe in Paper Money, and would gladly see its uses and benefits extended; I readily admit that public good as well as evil has resulted even from our Irredeemable Paper Currency of the last seven years, and that an abundance of Money is a blessing, though (like other blessings) it may be bought too dearly. The subject of Currency is one by no means exhausted; the science of Money is still imperfectly known; and the fact that Capital (not merely tokens which represent what does not exist) is really and uniformly cheaper in Western Europe than in this country, is one of the impediments against which our National Industry, and especially our Manufacturing Industry, has struggled, and is doomed still to contend. Land is so cheap with us that our farmers have an immense advantage over their European rivals in the cost of this important element of production; but Labor is relatively high with us; nearly every element of Manufacture is dearer here than in Europe; and herein we encounter one formidable impediment to the expansion and prosperity of American Manufactures. Whoever needs more Capital than he possesses, and is compelled to borrow, must pay a third to a half more annually for the use of a certain sum than his British, French, German, or Belgian rival; and this interposes a grave obstacle to his thrift and success.

"But why cannot we have cheap capital by adopting some such plan as Mr. Kellogg's?"

I answer, Because the use of capital is *worth* more here than any such plan assumes or supposes it to be; while we might double or treble the volume of our Currency, without increasing materially the real aggregate of our wealth. We might each be worth more *dollars* than now, though our *real* wealth had not increased one dime; just as he who has now an income of $5,000 a year (in greenbacks) is no better off than he formerly was when his income was called $3,000 a year (coin).

To illustrate the nature of Interest, I will suppose that a hundred farmers of nearly equal means inhabit some remote, secluded vale among the mountains, having little intercourse with the outside world. Their settlement being comparatively new and in a mild climate, they have thus far done without barns; but, now that their wealth has increased, and more pressing wants have been satisfied, they generally conclude that the time has come wherein to provide shelter for their stock and their fodder. Yet all cannot erect suitable barns at once: were they to do so, their crops must be neglected and their food run short: so they confer and agree that one-fourth shall build this year, another fourth next, and so on till all have barns, — such being the rate at which they judge themselves able to supply this common want. B., C., D., are to refrain from building this year, lending part of their labor or their crops to A., who builds now, and taking his notes for their value; A., C., and D., doing the like by B. next year; and so on. Now, Interest, in my view, is the consideration for which B., C., D., consent to forego building this year and help A. instead. Each of the four would gladly have his barn built this year; but A. is the most urgent, and bids most for the first use of their conjoint surplus, and so obtains it. (Thus many of our Coöperative Building Societies, hav-

ing, by small weekly or monthly payments from each member, accumulated enough to build one dwelling, put the amount up at auction, and that member who bids the highest premium has the first house.) Thus is established what I consider a natural rate of interest; and it is one far above Mr. Kellogg's standard. Were his system adopted, too many would seek to borrow the means and hire the labor requisite for building, draining, fencing, and otherwise improving, and too few would be left to cultivate the earth or otherwise produce what is needed to supply our most urgent wants; we should have new or enlarged dwellings, with more and better furniture, but a scanty supply of bread. I deem this a natural result of any scheme whereby Interest is depressed to a fraction and Money created in limitless abundance.

But I do not thence conclude that Paper Money is a delusion, and that Coin alone should constitute our Circulating Medium. Golden yardsticks would measure Textile Fabrics with perfect accuracy; yet it would not be well to forbid the use of any other; since gold is scarce and dear, many yardsticks are required, and we have those that answer the purpose made of materials far cheaper than gold. Have a golden one, if you will, at the Treasury, the State House, the City Hall, and enact that every one in use shall be tested by and conformed to that; but to require *every* yardstick to be of gold would absorb in yardsticks too large a share of the National wealth, for which we have other and better uses. Between the bigotry which regards all Paper Money as virtually counterfeit, and the folly which would enrich a people by burying them in shinplasters, there is a happy medium; and this medium experience and discussion will yet make plain to the great body of those who earnestly, dispassionately seek, not personal advantage, but the widest and highest public good.

VI.

SLAVERY — HIRED LABOR — PROPORTION — COÖPERATION.

SLAVERY appears to be, for the second time, dying out of the civilized world, wherein its lingering remnants can hardly outlast the present century. Yet it so disappeared once before, and was thereafter revived by the Spaniards reducing to bondage the innocent, hapless Aborigines of the West Indies directly after the discovery of those isles by Columbus; soon followed by the introduction of captive negroes from Africa, under the specious plea of mitigating the sufferings of the far weaker Aborigines, and paralleled by the atrocious decree of the Muscovite Czar Boris Godinoff, whereby the rural peasantry throughout his dominions were "adscribed" or confined to the estates of the nobles respectively; being permitted to pass their boundaries only by express permission. Negro bondage did not save the fettered Indians, who rapidly faded away; but it was speedily communicated to the Spanish Main, and spread like a pestilence over nearly all of North as well as South America that had as yet been colonized from Europe. Labor being in eager demand in all young and growing settlements, which are apt to be largely peopled by adventurers who have migrated thither expressly to escape the necessity of working, while dollars or other means of payment are usually scarce among pioneers, the temptation to purchase slaves at the low prices asked for them by the early importers from the African coast was obviously strong. The negroes, unlike the "Indians,"

were generally robust and muscular; they were all well adapted to the rude, rugged labor mainly required in young colonies, where clearing the land of timber and a rough kind of agriculture are the main pursuits; the pioneers — of whom many left their native land because of a disagreement with its laws or its magistrates — were little troubled with moral scruples and seldom exposed to the censorship of a vigorous public sentiment: so Slavery, and kindred aberrations from the straight line of eternal right, are apt to take root in them, unnoted, or at least unforbidden. Thus, in spite of some feeble, ineffective protests, was America, so far as it had been Europeanized, all but covered with a black pall of bondage a century ago, — as Europe had been fifteen to twenty centuries before, and as Asia and Africa had been at an earlier day, and in good part still remain.

In fact, Slavery is probably one of the oldest conditions of systematic industry. The barbarian, having a taste for comforts and even luxuries, yet hating the toil whereby they are created or procured, fancies it harder to work himself than to compel some weaker or more timorous person to labor for his profit, — in his stead. So, making war, or finding one ready made, he invades in force his enemy's territory, or pushes stealthily across its border, and captures men, women, and children, to be henceforth constrained to labor as his slaves. Unfortunate or profligate parents give or sell the children they are unable to rear in comfort to the powerful and provident, by whom they are bred as servants for life. Thus Slavery roots itself in barbarism; the slave becomes the main if not the sole reliance for regular, constant labor, which is thence regarded with greater aversion and spurned so far as possible by the free as the business and badge of serfdom. The formation of a numerous working-class rapidly increases the aggregate of comforts and

luxuries; so that the community gradually emerges into a semi-civilization which evermore betrays its barbaric origin and genius through duels, street-brawls, and a real or affected fondness for "the pomp and circumstance of glorious War." A highly cultivated and polished caste may be developed under such auspices; but not an intelligent, refined, and truly civilized people.

These considerations derive importance from the imminence on this continent of a deluge of Asiatic paganism, whereof the opening showers have already reached our Western coast. As yet, our Mongolian visitors are substantially free to labor as they will and for whom they will, so long as they render due obedience to our laws. As yet, I judge that the benefits resulting from their immigration have decidedly overbalanced the evils. But what has hitherto been a rivulet may at an early day become a Niagara, hurling millions instead of thousands upon us from the vast, overcrowded hives of China and India, to cover not only our Pacific slope but the Great Basin, and pour in torrents through the gorges of the Rocky Mountains into the vast, inviting Valley of the Mississippi. This prospect demands instant, earnest consideration. The stream of Mongol immigration may vastly enlarge itself, yet remain beneficent and fertilizing; but not if it is to work (as many apprehend) a retrograde change in our industrial organization, and result in the establishment of a novel and specious Serfdom but little removed in essence from old-fashioned Slavery.

For the Wages system, with all its defects and abuses, is an immense advance upon the mildest and least objectionable form of Slavery. The worker for Wages has rights which the law affirms and constrains all men to respect: his wife and children are his, and in no sense another's; the latter are sometimes invited by the State

to partake of the bounties and blessings of an education, which may be rudimentary and imperfect, yet is still of inestimable value; he is usually a citizen and a voter, and may almost always, by good conduct, become either or both if he be not already such; he can often save a part of his earnings, and thus gradually win his way to independence and competence; he has always before him the prospect of becoming his own master, and even the employer of others, — a prospect which should, and often does, make him considerate of the rights and saving of the property of those to whom he sells his services. He, surely, has never been a slave who rashly proclaims the hireling's condition no better than the bondman's.

Yet the Wages system is commendable only when placed in contrast with absolute bondage. Regarded abstractly, it betrays many glaring imperfections. If paid "by the piece" (by tale), the hireling is under a constant temptation to slight his work, — to do it so that it will pass muster, rather than so that it will render the most service. If paid by the hour, day, week, month, or year, he is tempted to give time rather than work, — to weary out the stipulated period while performing as little downright labor as will answer. To secure the most pay for the least work is the problem which too often taxes the brain of the hireling, tempting him to imitate the slave's idleness and eye-service, though with less than the slave's justification. The highest average skill and efficiency can never be developed through a Labor system so radically vicious.

Improvidence is another vice inherent in the Wages system. The apprentice of yesterday, living on a very scanty allowance beyond his board, finds himself to-day a journeyman, capable of earning double the sum required to satisfy his real needs. He receives, at the close of

each week or month, money that he should save and safely invest; but he has not been trained to saving; he has loose cronies and hot passions, which prompt him to spend on baneful indulgences and vicious gratifications that which should be cherished as the nest-egg of his future fortune. Thus he runs through the five or six years which intervene between his majority and his marriage, "sowing his wild oats," only to gather a bounteous harvest of future poverty, infirmity, remorse, and premature decay. Nine-tenths of our young men might save in those years the means of securing themselves against absolute want evermore, — might lay the sure foundations of future independence, comfort, competence; yet the great majority fail to do so, partly for lack of proper moral training in childhood, partly through the influence of prodigal and vicious associates, yet partly also because the Wages system does not prompt to forecast and saving, but rather to present gratification and indulgence in the fullest measure attainable. The young man who finds himself, for the first time, the master of an income twice as large as is required to supply his real needs, and surrounded by shopmates and other familiars who have made it their rule of life to "live as they go," will very generally fall into their ways, acquire their habits, and imbibe, if not outdo, their vices. Culpable as he may be, the system which afforded him the means of lavish outlay, and presented no counter inducement to save and thrive, is by no means to be accounted guiltless.

The Wages system foments hostility between Capital and Labor, employer and employed. The latter feels no direct, tangible interest in the prosperity of the business whence he draws his subsistence; his sole concern being as to the amount of his dividend therefrom. Is he engaged in making Iron? What cares *he* for the market price of

Iron? He must have his wages, whether his employer is working at a profit or at a loss; that is not his affair. If Iron were suddenly to fall twenty-five per cent. he could with difficulty, if at all, be made to realize that he ought to work any cheaper than before. And, indeed, since his employer would be very unlikely to volunteer an *increase* of wages because the price of iron had suddenly *risen* twenty-five per cent. he is right in resisting a reduction so long as he safely may. Still, the fact that a vicious system has placed the interests of employer and employed in seeming if not real antagonism weakens and disorganizes, not that trade merely, but Production in general. Industry can never exert its due influence over legislation and government until the interests of employer and employed shall have been not merely harmonized in fact, but the parties made to feel that they are so.

The Wages system works habitual injustice between man and man. I do not believe that employers are habitual oppressors, — that the current rates of wages are uniformly or generally too low. On the contrary, I hold that — at least in this country, where every one may have land for the asking and become his own employer if he will — the average range of wages is substantially fair and just. I see young men in thousands leaving the farms on which they were reared, and which they have at length inherited, to earn wages in cities and villages; and I cannot but feel that they do this mainly under the promptings of self-interest, — do it because they can thus earn more, enjoy more, than if they remained at home and employed themselves. He who, being able to do thus, sells his services to another, thereby confesses that the wages he receives are more than he could earn by working for himself. Admit that the employer procures the labor and skill he needs at the

lowest market rates (which is generally, though not uniformly, the case), it is equally clear that the employed usually, if not always, sells his services for the most that any one will give for them: so that if A. works for B. for less than A. deems his labor worth, it is clear that others are of B.'s rather than A.'s opinion; since, if they were not, some one else would secure those services by offering a higher price for them. And if A. blames B. for offering so little, he ought still more to blame others, who offer either less or nothing at all.

And, while I hold Wages in general the fair equivalent of the services they buy, I see clearly that they are at best a rude approximation to justice, regarded in their application to individual cases. Here are one hundred employés in a shop or factory, each working for an established and uniform rate of weekly or monthly pay. But their work is not of uniform value, — not within twenty-five per cent. of it. One is a skilful, thoroughly instructed craftsman, who does a man's full work, and turns out none but the best products; another comes to work late and irregularly, wastes time in every way, can barely pass muster as an artisan, and his handiwork narrowly escapes condemnation. These men's services are not of equal value, and probably never will be; and the fact that their remuneration is equal tends to discourage excellence and fill our shops and factories with slovenly, inert, half-taught journeymen. This is not quite so bad as Slavery, wherein the slave is deterred from evincing unusual skill, diligence, efficiency, lest he should thereby strengthen the barrier between him and freedom, by increasing his master's estimate of his pecuniary value; but the vice of the system is rather inferior in degree to than different in kind from that.

Having overthrown Slavery, we must gradually outgrow the ineradicable vices of the Wages system. These

are not imbedded in political institutions, unjust laws, and atrocious judicial decisions; so they cannot be assailed by storm and overthrown by superior force as Slavery was, — they must be slowly sapped, patiently undermined, and gradually replaced by a better arrangement. This work begins with the immense advantage of an open field for inquiry and discussion. Slavery would not — perhaps could not — tolerate criticism, but promptly suppressed opposition and silenced cavil by the revolver and Bowie-knife. The Wages system can claim no such immunity from criticism, but must plead, whenever arraigned, at the bar of reason. Thus far, it only demurs, — "Show us your better plan for inciting and rewarding universal Industry, and prove it not only ideally just but practically fitted to endure the shocks and buffets of conflicting interests, jealousies, rivalries, and mutual distrusts." Here the controversy halts — *must* halt — to await practical demonstrations. It is idle to criticise what is, unless we are prepared to show that something better is ready to take its place, and keep it.

There is this to be said for the Wages system, — that the world's necessary work does get done by it, — imperfectly, if you will, and with but an approach to justice, yet still much better, and with less hardship, than under any system which preceded it. Whenever some better system shall have been, not merely devised, but put into actual operation, and shall have proved capable of holding its ground for years against all the assaults of human perversity, selfishness, and folly, then we may confidently look for its wide and ultimately general adoption.

The rude outlines of such a substitute are already visible. The Whaling industry of our country has been generally prosecuted on a basis of partnership for a century. The entire venture is represented by (we will

say one hundred) shares, whereof the owners of the vessel are allotted a certain number, those who supply the outfit perhaps as many more, leaving (say) fifty, whereof the captain has (say) ten, the mate five, the minor officers three, the experienced whalers two, and green hands one each, until the full number is apportioned. If, now, the venture prove successful, — if the vessel is rapidly filled with oil and bone, and returns in triumph after a comparatively short absence, — every one interested shares ratably in her good fortune; if she has bad luck, her crew may come home poor as they departed, while her owners are poorer. How admirably calculated is this "lay" to secure daring, vigilance, efficiency, on the part of every person embarked in the venture, I need not insist on.

This exemplification of a law, though striking, is by no means solitary. A number of manufacturing establishments have been founded on, or modified into conformity with, the principle of making each worker a partner in the business, — a sharer in its profits and (of course) in its risks as well. "Union stores," and other combinations to procure the necessaries of life on favorable terms, and preëminent among them "the Equitable Pioneers" of Rochdale (England), illustrate different phases of the general idea. In attempting its reduction to practice, there have of course been many errors and failures, as there doubtless will be many more; and it may be fairly said, that, apart from sundry enterprises wherein a common and ardent religious faith supplied the necessary cement, no effort at complete unification of interests and efforts, in the household as well as in the field or factory, has thus far achieved success, while hardly one has avoided absolute, unequivocal failure. These facts are instructive; they will by most be judged conclusive, — but to what extent?

When Franklin was asked in Europe if his countrymen were not short-lived, he replied that the point could not yet be determined, as the first generation were not all dead. Coöperation has achieved success in certain efforts, and has encountered failure in others. Arrangements are even now in progress designed to test (in Kansas) the practicability of complete Industrial Association on a larger scale and with greater facilities than any former experiment has enjoyed. All such efforts must be regarded as tentative, experimental, likely to fail, yet not impossibly destined to succeed; and in either case calculated to shed light on one of the most interesting and important problems that ever yet challenged the attention of mankind. A hundred such may fail to achieve success, without exhausting the infinitely varied conditions under which success may be sought, — whereby it may yet be attained. And, if it shall finally be proved that a complete Association in industrial and social effort by several hundreds of persons or families is impossible, it by no means follows that a more limited, qualified combination of energies and efforts is impracticable. Indeed, every Bank, Railroad, District School, Church, Township, exemplifies, more or less perfectly, the feasibility of such combination. Capital, we know, can combine to achieve results otherwise unattainable, — witness the Panama and Pacific Railroads, the Suez Canal, — and it remains to be proved that Labor is too stolid or too shallow to grasp some measure of the advantages to be achieved only through Coöperation. Thus far, the demonstrations conclusively attest a success which, if humble, is yet indicative of further triumphs. Labor has evidently passed its Cape of Good Hope, and sees boundless oceans of beneficent possibility stretching away into immensity before it.

Nor should we be discouraged by the consideration

that further achievement in this direction requires a measure of capacity, foresight, endurance, faith, self-denial, whereof the masses have not yet been proved possessors. Progress receives its impulse rarely from the multitude, but from the enlightened, generous, unselfish few, whom the masses follow only as the mob of adventurers followed in the track of Columbus after he had discovered the New World. The radical defect of the Wages system is its unfitness to develop and nourish the very qualities which are needed to insure the success of Coöperation. That success may be achieved by thousands, while the millions remain incredulous or indifferent; these will be ready enough to accept and profit by it when it is proved that they may thus secure their independence or increase their comforts. The very first association mainly of the Laboring Class which shall clearly demonstrate their ability to supply the want of a great capital by combining their moderate means, and directing their own labor to profit through the agency of freely chosen foremen, officers, or chiefs, will have done more for the Emancipation and Elevation of Labor than all the speculators and system-builders from Plato's day to our own.

But all rational hopes of continuous improvement in the condition of the Laboring Class rest upon and assume the essential stability of their employment, and are frequently blown to the winds by the disastrous pressure of reckless competition. Establish the rule that cheapness in money price is to be sought and secured at all hazards, hence that no National barrier shall be interposed to check the reckless sweep of unequal competition, and, so far at least as regards all products which embody large values in small mass, — that is, Textile Fabrics and most other Manufactures save the rudest and most bulky, — the countries which

eminently combine Capital, Intelligence, Skill, Experience, the command of Steam and Machinery, with cheap Labor, will inevitably underwork and undersell the younger, less advanced, less artificial communities, wherein Capital is relatively scarce, the Industrial Arts more primitive, and Labor commands a larger average reward. It is of such competition that Louis Blanc has forcibly said :[1] —

"The principle on which modern society rests is that of isolation and antagonism; it is that of Competition. Let us consider a little what such a principle can carry in its train.

"Competition is the perpetual and progressive increase of poverty. Instead of associating forces, that they may produce the most useful results, Competition perpetually places them in a state of warfare, and reciprocally annihilates them, — destroying one by the other. . . . . What fortunes are formed solely of ruins! And of how many tears is often composed the good fortune of those we call happy! Is it, then, a good state of society which is so constituted that the prosperity of one fatally corresponds with the sufferings of others? Is that a principle of order, of conservation of wealth, which makes of Society a disorderly confusion of forces, triumphing only by the incessant destruction of opposing forces?

"Competition is a source of general impoverishment, because it induces an immense and continual loss of human labor; because, every day, every hour, everywhere, it reveals its empire by the annihilation of vanquished Industry, — that is to say, by the annihilation of capital, of raw material, of time, of labor employed. I do not hesitate to assert that the mass of wealth thus devoured is so great that any one who could at a glance measure it would recoil with horror.

"Competition is a source of general impoverishment, because it delivers up Society to the gross government of

[1] Address to Delegates of Workmen on the Organization of Labor: Paris, April 3, 1848.

chance. Is there under this system a single producer, a single laborer, who does not depend on the closing of some distant factory, on a failure which takes place, on a machine suddenly discovered and placed at the exclusive disposition of a rival? Is there a single producer, a single laborer, whose good conduct, foresight, or wisdom, can guarantee him against the effects of an industrial crisis?"

The justice of these strictures I have at least twice seen realized on a gigantic scale, in the general prostration of the Manufacturing Industry of my countrymen under the pressure of European, mainly of British, competition. That Industry was thus crushed out after the peace of 1815, when the eminent Henry Brougham (afterward Lord Brougham) remarked (when Great Britain was pouring out the goods that crushed our then infant manufactures) that "England can afford to incur some loss, *for the purpose of destroying foreign manufactures in their cradle*"; and the noted economist and Free-Trader, Joseph Hume, made a similar remark in 1828. Our tariff enacted in that year rendered all efforts to cripple and prostrate our manufacturing industry temporarily fruitless; but it was otherwise after the Compromise Tariff of 1833 began to take full effect, in that reduction of duties to a (presumptively) Revenue standard which culminated in the collapse alike of Industry and Revenue in 1840 – 42.

A report on Strikes, made to the British Parliament in 1854, significantly said: —

"Authentic instances are well known of [British] employers having in such times [of depressed prices] carried on their works at a loss amounting to three or four hundred thousand pounds in the course of three or four years. If the efforts of those who encourage the combination to restrict the amount of labor, and to produce strikes, were to be successful for any length of time, the great accumulations of capital

could no longer be made, which enable a few of the most wealthy capitalists *to overwhelm all foreign competition in times of great depression*, and thus to clear the way for the whole trade to step in when prices revive, and to carry on a great business before foreign capital can again accumulate to such an extent as to be able to establish a competition in prices with any chance of success."

Those, whether capitalists or laborers, on whom the heavy blows thus dealt took immediate effect were as impotent to resist or evade them as a feather in the vortex of a tornado. Of these great commercial cyclones which from time to time sweep over the civilized world, annihilating Property and paralyzing Industry, the area and the fury are enormously increased by that excessive interweaving and commingling of National interests and industries which is the necessary consequence — and, indeed, the avowed object — of Free Trade.

VII.

MONOPOLY — THE LAW OF PRICES — EFFECT OF DUTIES ON COST.

Monopoly is perhaps the most perverted and misapplied word in our much-abused mother tongue. The term is properly applicable solely to an exclusive privilege, conferred by law or patent, to make, vend, or supply, a certain article or articles ; though Noah Webster justifies also the use of the word in that qualified or accommodated sense in which it is applied to a temporary control of the market, obtained by buying up the entire stock on hand or accessible, and holding it for exorbitant prices. Formerly, the British monarchs claimed and exercised the right of granting monopolies by patent ; and Anderson says :[1] —

"Such grants were common previously to the accession of the House of Stuart, and were carried to a very oppressive and injurious extent during the reign of Queen Elizabeth. Commercial monopolies reached to such a height in England that Parliament petitioned against them, and they were in consequence mostly abolished, about the close of Elizabeth's reign, 1602. They were further suppressed, as being contrary to law, under James I., in 1622, and were totally abolished under Charles I., in 1640, and it was decreed that none should be in future created, as was previously the custom."

Of course, it is possible to regard every exclusive possession, — the power of Pope or Czar, President or Governor, — as, in some vague, secondary sense, a monopoly, since it is peculiar and exclusive ; and so a man may be

[1] History of Commerce.

said to have a monopoly of his wife and children, — of the farm he has bought and paid for or hewed out of the primitive wilderness; and so on, until everything but air and sunshine may be spoken of as monopolized. This, however, is hyperbole, bearing but a faint resemblance to fact. If the law here conferred on one person the exclusive right to make Blankets or Brandy, Ships or Sheetings, we might accurately pronounce that man a monopolist, and deprecate his privilege as stifling enterprise and stimulating extortion.

But with what reason, with what justice, does one say that an impost or tax on imported Iron or Nails, Cloth or Cutlery, creates a monopoly? A great many of our countrymen were previously employed in making these articles: which of them has been granted a monopoly? In what sense is a monopoly accorded to any or the whole of them together? Do we not know that, not only will each of them sell as his own interest prompts, and increase his product so fast and so far as he can do so with profit, but that any one else who will may embark in the business whenever he shall see fit? — nay, do we not know that this impost or tax will, to a moral certainty, impel hundreds to do so? How can A. have had conferred on him by law a monopoly of that which B., C., D., and all the rest of the alphabet, are not only at perfect liberty to embark in whenever they will, but which this very act strongly tends to invite them to engage in, having been passed for that express purpose?

In 1822, a very earnest effort was made to increase the then existing Tariff (of 1816) with a view to more efficient Protection; and the bill prevailed in the House, but was beaten in the Senate. Massachusetts was then eminently commercial, and conspicuously hostile to Protection. The Hon. James Lloyd, one of her Senators, used with effect this argument against the passage of the bill: —

"I am (said, he in substance) interested in manufacturing. I own stock in one of the very few cotton-mills now running in my State. That mill regularly pays good dividends, and is likely to do so indefinitely, if the Tariff be let alone. But, should you pass this bill, hundreds of such factories will be erected, till the market is glutted with their fabrics, when prices must fall, and our concern, very possibly, may be broken down. I choose to let well alone, and entreat you not to pass this bill." (I state the above from recollection; but I think not inaccurately.)

Nearly a quarter of a century had intervened before the defeat, in 1844, of Mr. Clay as a candidate for President incited and justified apprehension that the Protective Tariff of 1842 would be overthrown under the incoming Administration of Colonel Polk. Pennsylvania was strongly interested in the continuance of Protection, yet had given a small popular majority for Polk, some of whose zealous partisans had gravely assured their neighbors that he was a better Protectionist than Clay. A meeting was called at Pittsburg to rejoice over Polk's triumph; and to this meeting the Hon. James Buchanan (who had voted in Congress for the Tariffs of 1824, 1828, and 1842) transmitted this sentiment: —

"*Domestic Manufactures.* — They have been saved, by the election of James K. Polk, from being *overwhelmed by the immense capital which would have rushed into them for investment*, and from an expansion of the currency which would have nullified any Protection short of prohibition."

When a general revision of the Tariff was last before the House of Representatives (February, 1867), I was on the floor, and, meeting a leading member from Missouri, I said to him: "It does not disappoint me to see Massachusetts lukewarm and half-hearted in support of Protection, — *her* factories are built and running; she has

machinery, skill, experience, markets; I expect her soon to desert us, under the impression that she has more to dread henceforth from American than from Foreign competition;—but what *you* Missourians, with your vast wealth of unopened mines, your unused water-power, your unbuilt factories, can mean by voting against Protection, I cannot imagine." My Missouri friend winced a little, but replied: "I think we might harmonize on this subject, were it not for the Pennsylvanians — the Iron men; they are too greedy."—"Stop!" I rejoined, "and answer me one plain question right here: Suppose the duty on imported Iron were $ 1,000 per ton, and could never be less; what would then govern the price of Iron in this country?" — "I suppose," he replied, "that the price of Iron *would be governed by the cost of producing it.*" "Quite right," I responded; "and it seems to me that you, who comprehend so well the law governing prices, must know better than to vote here with the enemies of Protection."

Not many months ago, the price of fair, merchantable Brick in this city ranged from $ 15 to $ 16 per thousand. Extensive building had run it up to that figure, — the demand for Brick pressing hard on the heels of supply. The brick-makers along the Hudson were coining money; and of course more yards were opened, more and more brick made, until the price was pressed down to $ 9 and $ 10 per thousand, from which it has since slightly advanced. In neither case, was the price at all affected by importation, or duties on imports, — Brick being too bulky to bear, in ordinary times, the cost of an ocean voyage. The price rose because the demand for Brick rapidly and steadily increased till the supply became inadequate: then the enhanced price incited a largely increased production; and this in turn bore down the price: then the production slackened, and the price be-

gan to rise again. No scales or steel-yards ever responded more surely to the law of gravitation than did the Brick manufacture and market to the kindred law of supply and demand.

I ask, then, why this law may not, in the absence of foreign competition, be trusted to regulate the price of Iron (for instance) precisely as it does that of Brick? Ore, Coal, and Limestone — the raw materials required for the production of Iron — are found on almost every hundred miles square of our country; our rivers, lakes, sounds, canals, and railroads, afford extensive, though as yet imperfect, facilities for their cheap concentration; they can be bought, as they lie where Nature placed them, as cheaply here as elsewhere, — the Government having still millions of acres filled with them for sale at ten York shillings per acre, — while the high wages of the last seven years have drawn hither some of the most skilful and experienced iron-makers of Europe, to say nothing of those trained and schooled on our own soil. Suppose, now, that our present Iron-masters, being very human, want to make money too fast, and are thus moved to ask too much for their metal, what under Heaven prevents others from going into the business, and so increasing the product till the price of Iron comes down as that of Brick so lately did? Has the Prophet Elisha been working another and more gigantic miracle, whereby Iron is made to defy the law of gravitation? Say that all Protectionists are so greedy that they exact fifty per cent. more for their Iron than it is worth, what hinders Free-Traders from stepping in and enriching themselves, while blessing their fellow-citizens, by making a plenty of Iron at fair prices? There is no mystery, there is no magic, in Iron-making; it requires no elaborate preparation or enormous aggregation of capital; there are thousands all around us who could run up a furnace

and smelt therein Ore into Pig as promptly and cheaply as it is now done; and they are ready for the work, — not to speak of furnaces out of blast and now for sale at less than cost. Why is it that Free-Traders don't and won't make Pig Iron, when the business is so simple and they say it is so enormously profitable? Some of them own long lines of railroads which require thousands of tons of new rails, chairs, spikes, &c., annually, and could easily make them if they would; why don't they? They understand business; they own, or at least wield, ample capital; they are not averse to making profits. Why can't they be persuaded, coaxed, jeered, shamed, driven, into making American Iron, instead of standing aside to make faces at those who do? What answer?

In all the dissertations of Free-Traders, I meet an unfailing, quiet assumption that *a Tariff must enhance the* PRICE *of a given article, or it can do our producers of that article no good.* The truth, as I apprehend it, is otherwise.

I am a manufacturer of newspapers, — bred to that trade, which I have assiduously followed through life. I have made a fair living by that, and nothing to speak of by anything else. Having given forty-odd years to its acquirement and prosecution, I ought to have a tolerable comprehension of its wants and its laws. It happens not to be one that needs direct legal Protection, because an imported newspaper cannot supplant or replace an American one, as a piece of foreign calico or shirting can take the place and subserve the end of one made in this country. I make no pretensions to unselfishness, and would gladly make more money by my business than I now do. Yet I do not want a higher price for my product, would not raise that price if I could. I *would* like to double the demand for that product, —

to sell a thousand copies where I now sell five hundred, — to have a sale that would keep my steam presses and other costly machinery running up to the limit of their capacity. Secure me such a market, and I will agree never to ask an enhanced price while I live. Nay, I would covenant to make a better and more costly paper than I can now afford, if I could thereby secure a quick demand for all the copies I could print. I now give a better paper than I could possibly afford for the price, if the edition I print during the night could be rivalled and superseded by British journals arriving by steamer in the gray of the morning. And this is true of newspapers generally; and true, I presume, of Prints or De Laines, as well as of newspapers.

Years ago, under a low duty, we imported most of the Starch used in this country, making a little capriciously when the market, from whatever cause, was bare; but soon a fresh importation would flood our ports, shutting up our starch-factories and driving out their workmen to find employment at something else. Of course, they acquired no decided proficiency in the art, and our Starch was undoubtedly inferior in quality to its imported rival. But the Tariff of 1842 imposed a duty of two cents per pound on imported Starch; and, at once, a leading house in this city resumed its long suspended manufacture of Starch, called in its scattered workmen, made a good article, and put it on the market half a cent per pound *below* the price previously ruling. This was done purely on business principles, — because Starch could be *afforded* for less in a large and steady market than in one contracted and capricious.

Mr. Clay, in his Raleigh speech,[1] pleasantly exposed the fallacy of the Free-Trade assumption that the price of an article is enhanced by the amount of the duty there-

[1] June 17, 1844.

on, by citing the discomfiture of a Democratic canvasser who, seeing a shabbily dressed hearer just in front of him, arrested the regular flow of his eloquence long enough to ask, "My friend, do you know that these Tariff monopolists make you pay six cents per yard more than you should for that shirt you have on?" — "I suppose it must be so, since you say it," responded the surprised and scared auditor; "but I have no learning, and don't quite understand it, since I only gave five and a half."

The Tariff of 1842 found the duties on Cotton fabrics very low, and raised them to a minimum of six cents per square yard on plain and nine cents per square yard on printed or colored, — which was in fact higher than though it had been one hundred per cent. on the importers' valuation of their goods. No doubt, this enhancement shut out foreign and enlarged the market for our American fabrics, as it was intended to do. "Of course, the manufacturers raised their prices," you say. No, they did not; though they probably would have done so if they could. They did not, because, 1. They could make cheaper, running their machinery full time in presence of an ample and eager market, than running capriciously and while obliged to keep their goods on hand for months, awaiting purchasers; 2. Because competition was keen among them, and kept down prices to the point at which a fair, living profit could be made, — he who refused to sell at such rates losing his customers to rivals who believed in the nimble sixpence. So Mr. Samuel Lawrence, writing from Lowell (December 14, 1842) in reply to my inquiry for specific information as to the effect of the new Protective Tariff on the prices of cotton fabrics, gave the following exhibit of the prices at which Lowell fabrics sold for the three months before and the three months after the passage of that act:[1] —

[1] Approved August 20, 1842.

AVERAGE PRICES OF LOWELL COTTON FABRICS.

In May, June, and July, 1842.		In Sept., Oct., and Nov., do.
Drillings,	7¾ cts. per yard.	7 cts. per yard.
Shirtings, common,	5¼ " "	5 " "
Shirtings, heavy,	6¼ " "	5¾ " "
Sheetings, common,	6⅔ " "	6 " "
Sheetings, wide,	8½ " "	7⅔ " "
Flannels, (cotton,)	10 " "	8½ " "

Here (as in the case of Starch, before cited) the American producers of Cotton fabrics were not only *enabled* to sell their products cheaper in the larger and surer market secured to them by Protection; they actually *did* it, — doubtless to their own profit.

Now look at the same truth from the other side: —

Mr. Edward C. Delavan, in a letter to The Northern Light of December, 1842, quoted the circular and price-list of a British hardware house in this city, intent on retaining its customers in this country in spite of the enhanced duties on their goods levied by the Tariff of that year. This circular and price-list were addressed (October 26) to Messrs. Erastus Corning & Co., Albany (among others), and gave in parallel columns the prices they charged respectively before and after our Protective Tariff was passed: the reductions being nicely graduated to meet the increased duties, — an invoice of twenty articles, which cost £143 16 s. under our old Revenue Tariff, being put at £131 10 s. under our new Protective Tariff; making the cost here, after paying the enhanced duty, a little less than it was under the old tariff. Here there was no more pretence of philanthropy than in the case of the Lowell men just cited. The Lowell manufacturers sold their goods lower under the Protective Tariff because they *cost* them less than when their market was restricted, languid, doubtful, capricious; the British hardware men sold their goods

cheaper, because they must otherwise lose their American customers, and they preferred a market with small profits to no market and no profit at all. Each, I presume, sold for the most they could get; but our consumers were supplied with both Hardware and Cotton Fabrics at lower prices because of Protection.

Let me not even seem to maintain that Protection always and everywhere produces an *immediate* reduction of prices.[1] Doubtless, we are now paying more for some articles — such as Iron and Steel — than we should pay if they were imported free of duty. But abundant facts sustain and justify these general propositions: —

I. The circumstance that an article is largely imported under a duty of thirty per cent. by no means proves that it would be sold here thirty per cent. cheaper[2] if the duty were abolished.

[1] "The League" (the Free-Trade organ in this country) for May, 1868, under the head of "Protection Unattainable by Tariff," says: —

"Factories were not extensively established until the war of 1812, and were specially protected by the Tariff of 1816. This raised the price at first, and was all the encouragement that was desired. But, in a little while, another effect followed: *The foreign manufacturers contrived to reduce the cost of producing their goods*, by improved machinery and other means, and *submitted to a reduction of their profits in order to keep as much as they could of American trade by counteracting the Tariff;* while the American manufacturers, who could only supply a part of the demand for broadcloths, found their profits diminished by *the rise in the cost of labor and subsistence*, which was caused by the diversion of labor from its natural channels. To this was added the more abundant capital of the foreign manufacturers, enabling them to give longer credits; their wider access to established markets enabling them to accept a lower rate of profits, and *the great advantage of being already established*, with machinery all built, trade all regulated, and in the midst *of a superabundant supply of labor, which had no competing opening, and which could therefore be had for the asking, at the lowest wages on which people could live.*"

[2] Mr. Commissioner Wells, in a note to his last Annual Report, says: —

"The experience of Great Britain for the last twenty years in respect to Tea, as a source of revenue under the customs, has established this curious fact, that a decrease of the tariff on this article brings no

II. The cheapest articles in this as in any other country are those which are wholly or mainly home-made. Thus, we make nearly all our Axes, Ploughs, Harrows, Scythes, Hoes, Spades, Shovels, &c.; and the wide world can show none better nor (of like quality) cheaper than ours. On the other hand, we have hitherto imported most of our Log-Chains, Trace-Chains, Saws, &c.; and these are not relatively so cheap, and have not improved in efficiency so decidedly, as the farming implements that we mainly make at home.

III. Whenever a department of manufacturing or other industry has become firmly established in our country, — whether by the aid of Protection or otherwise, — so that its endurance and expansion are virtually assured, we may safely rely on domestic competition to graduate the price of its product, the profit of the producers, to the average standards afforded by other and kindred pursuits. Unless self-interest has ceased to influence human conduct, we may be sure that, if Corn or Cotton should this year be produced to great profit, more people would engage in its production next year, and so reduce prices and profits; and the rule holds

corresponding benefit in the way of reduction of price to the consumer. Thus, for example, while the duty on Tea, under the British tariff, was reduced to the extent of 77 per cent. between the years 1849 and 1866 (from 2 s. 2¼ d. in 1849 to 6 d. in 1866), the average price of Tea 'in bond,' or duty-free, during the same period, exhibited a corresponding *increase* of about fifty per cent. (i. e. from 1 s. 1 d. to 1 s. 7¼ d.); and this, too, notwithstanding the fact that the supply through importation had nowise abated, but, on the contrary, increased during the years 1862 – 63 to an extent sufficient to overstock the market. The explanation of this commercial phenomenon is, that there being practically but one Tea-producing country, the trade partakes of the character of monopoly to such a degree that *a decrease of the duty enures mainly to the advantage of the producer*, and an increase, conversely, to his disadvantage. The opinion, therefore, so often expressed of late, that a reduction of the present duty on Tea would result to the advantage of the American consumer, is not likely to be practically realized."

good with regard to Pig and Bar Iron, Wool and Woollens, Prints and Sheetings. Protection determines only that certain articles shall be mainly produced in the consuming country; it does not decide that A. or B. shall have a monopoly of their manufacture. And when Mr. Commissioner Wells asserts, evidently alleging a permanent, and not merely a transient result, that —

"It not unfrequently happens that the imposition of a tax in the form of a tariff on an imported article is made the occasion for very greatly and unnecessarily advancing the price of a corresponding domestic product" —

he ignores and defies a law as inexorable as gravitation, — that which impels men to rush into a pursuit which is supposed to yield extraordinary profits. Let one farmer make money by growing Hops (for instance), and twenty others will forthwith plant hop-yards, — very possibly to their own damage and loss, but very certainly to the reduction of the average profit of Hop-growing. If Wool sells exceptionally high, Sheep will increase and multiply; if Lumber brings a high price this Summer, the pine-trees are bound to suffer for it next Winter. He who imagines that the law here indicated stops short at the doors of a furnace or factory, fearing to venture in, evinces deplorable ignorance or blinding prejudice. Cost is the general measure of Price, alike in the presence and in the absence of Protection. True, if there were but one mine of Zinc or Copper in our country, a high duty on that mineral might enrich the owner or owners of that mine; and thus it may be that the owners of certain ingenious inventions subservient to the production of Screws have realized large profits on their patents, — larger, it may be, than they would have done in the absence of any duty on imported Screws; but they owe their good fortune primarily to their inventions or patents, and but

subordinately to the Tariff. Had there been no duty on Screws, they would still have held substantial possession of our market, and realized large profits therefrom, though they might have been constrained to make their Screws in Europe, because of the relative cheapness of foreign labor. Their patents would have held good here in any case; the Tariff only makes it their interest to manufacture in this country rather than abroad. And I hold mankind benefited and the world enriched by the development and perfection of the Screw manufacture in this country which the last few years have witnessed, — a development to which Protection gave an impulse, by naturalizing this industry among us, and thus calling into activity the genius for invention which might else have passed away undemonstrated and unknown. In a few years the patents will all have expired, as I am assured most of them have already done; while the inventions they cover, the new industry they have built up, will remain an embodiment of Man's power over material Nature and a blessing to all generations.

VIII.

AGRICULTURE AS AFFECTED BY PROTECTION — VIEWS OF THE FATHERS.

WHOEVER is familiar with our country's Economic and Fiscal legislation must concede the following positions:—

I. That the great men who framed, advocated, and secured, the adoption of the Federal Constitution, who ruled the country throughout the next generation, and thus laid the foundations of our National policy, were not manufacturers nor interested in any form of handicraft, but were for the most part connected, directly or indirectly, with the Farming or Planting interest, which was then not merely the dominant but the sole reliance of nine-tenths of our People.

II. That these great men all but unanimously suggested and commended the fostering of Home Manufactures by discriminating Protective Duties on their Foreign rivals.

III. That they undoubtingly believed that, in so doing, they were subserving the interest of American Agriculture and laboring to secure to themselves and their fellow farmers or planters, not merely a more assured and constant, but a more ample, recompense for their labor, by creating larger, nearer, steadier, and better, markets for their products.

Generations swiftly succeed each other, and truths which were familiar forty years ago, having been overlaid by the exciting topics and events of the last decade, may be unknown to many now on the stage of action. For the benefit of these, I proceed to prove what is already well known to older readers.

General Washington, — an extensive and practical farmer through life, never interested, so far as I can learn, in the manufacture even of a Jew's-harp, — in his first Annual Message[1] (which he read in person to Congress), says : —

"The safety and interest of the People require that they should promote such *Manufactures* as tend to render them independent of others for essential, particularly for Military, supplies."

Congress responded to this suggestion by ordering[2] —

"That it be referred to the Secretary of the Treasury, to propose and report to this House a proper plan or plans, conformably to the recommendation of the President in his speech to both Houses of Congress, for the encouragement and promotion of such manufactories as will tend to render the United States independent of other nations for essential, particularly for Military, supplies."

The Secretary thus appealed to was ALEXANDER HAMILTON, — not a small man for those days, and never, so far as I have heard, engaged in the manufacture of either horn gunflints or basswood pumpkin-seeds. He took time to consider the matter, and at length responded[3] in a Report which remains a landmark in our history. I will here quote from it just enough to show the *grounds* on which Colonel Hamilton based his advocacy of a Protective policy, with his conception of its bearings on Agriculture and of its National importance. If any reader shall deem his view narrow or partial, mole-eyed or sordid, I shall be sorry for that reader, not for Alexander Hamilton, who, in his introductory paragraph, says : —

"The embarrassments which have obstructed the progress of our external trade have led to serious reflections on the

[1] January 8, 1790.
[2] January 15, 1790.
[3] December 5, 1791.

necessity of enlarging the sphere of our domestic commerce. The restrictive regulations which, in foreign markets, abridge the vent for the increasing surplus of our agricultural produce, serve to beget an earnest desire that a more extensive demand for that surplus may be created at home; and the complete success which has rewarded manufacturing enterprise in some valuable branches, conspiring with the promising symptoms which attend some less mature essays in others, justify a hope that the obstacles to the growth of this species of industry are less formidable than they were apprehended to be, and that it is not difficult to find in its further extension a full indemnification for any external disadvantages which are or may be experienced, as well as an accession of resources favorable to national independence and safety."

The House of Representatives, impelled by this Report, proceeded to create a Standing Committee of Commerce *and* Manufactures, which it continued for twenty years thereafter, and then divided, because of the great variety and importance of the subjects claiming its attention. The fact that Manufactures were deemed, under the sway of Washington and Hamilton, deserving, in connection with Commerce, the regard of a Standing Committee of Congress, remains.

President Washington, in his second Annual Address[1] to Congress, thus tersely and forcibly affirms his unchanging convictions: —

"Congress have *repeatedly*, and not without success, directed their attention to the *encouragement of manufactures*. The object is of too much consequence not to insure a continuance of their efforts in every way which shall appear eligible."

Thomas Jefferson was, like Washington, a farmer or planter, and never personally connected with Manufactures or interested therein. Yet, in his second Annual

[1] December 7, 1796.

Message,[1] he deliberately sums up the legitimate objects or purposes of the Federal Government, in these words: —

"To cultivate peace and maintain commerce and navigation in all their lawful enterprises; to foster our fisheries as nurseries of navigation, and for the nurture of man, and *protect the manufactures* adapted to our circumstances; to preserve the faith of the nation by an exact discharge of its debts and contracts, expend the public money with the same care and economy we would practise with our own, and impose on our citizens no unnecessary burden; to keep in all things within the pale of our constitutional powers, and cherish the Federal Union as the only rock of safety, — these, fellow-citizens, are the *landmarks* by which we are to guide ourselves in all our proceedings. By continuing to make *these* the *rule of our action*, we shall endear to our countrymen *the true principles of their Constitution*, and promote a union of sentiment and of action equally auspicious to their happiness and safety."

In a subsequent Message,[2] in view of the rapid reduction and in anticipation of the early extinguishment of the National Debt, he inquires, with regard to the expected surplus of revenue: —

"To what other objects shall these surpluses be appropriated, and the whole surplus of impost after the entire discharge of the public debt, and during those intervals when the purposes of war shall not call for them? Shall we suppress the impost, and *give that advantage to foreign over domestic manufactures?*"

These fond anticipations were suddenly blasted by the wrongs to which our commerce was exposed by the arbitrary British "Orders in Council," declaring the entire coast of France under blockade and every vessel trading thereto lawful prize of war, with the equally unjustifiable and even less plausible "Decrees," dated at Berlin

[1] December 15, 1802. [2] December 2, 1806.

and Milan respectively, with which Napoleon retaliated. Mr. Jefferson felt constrained thereby to embargo our own merchant vessels, forbidding them to trade with either of the belligerents until those atrocious "Orders" and "Decrees" should be rescinded. Our Revenue thereupon shrank from a river to a rivulet, and the payment of our Debt was arrested, but our still infant Manufactures received a powerful impetus. Mr. Jefferson, in his last Annual Message,[1] refers to the changed condition as follows: —

"The suspension of foreign commerce produced by the injustice of the belligerent powers, and the consequent losses and sacrifices of our citizens, are subjects of just concern. The situation into which we have thus been forced has impelled us to apply a portion of our industry and capital to internal manufactures and improvements. The extent of this conversion is daily increasing, and little doubt remains that the establishments, formed and forming, will — under the auspices of cheaper materials and subsistence, the freedom of labor from taxation with us, and of *protecting duties* and *prohibitions — become permanent.*"

President Madison has been styled the Father of the Constitution. He certainly bore a leading part in its formation and in commending it to popular acceptance. His philosophic spirit, his habitual moderation and equipoise, give weight to his oracles of wise and cautious statesmanship. In his second Annual Message[2] he says: —

"I feel particular satisfaction in remarking that an interior view of our country presents us with grateful proofs of its substantial and increasing prosperity. To a thriving agriculture, and the improvements relating to it, is added a highly interesting extension of useful manufactures, the combined products of professional occupations and of household indus-

[1] November 8, 1808. [2] December 5, 1810.

try. Such, indeed, is the experience of economy, as well as of policy, in these substitutes for supplies heretofore obtained by foreign commerce, that, in a *national* view, the change is justly regarded as, of itself, more than a recompense for those privations and losses, resulting from foreign injustice, which furnished the general impulse required for its accomplishment. How far it may be expedient to guard the infancy of this improvement in the distribution of labor, by regulations of the commercial tariff, is a subject which cannot fail to suggest itself to your patriotic reflections."

In his next Annual Message[1] he recurs to the subject in these terms : —

"Although other subjects will press more immediately on your deliberations, a portion of them cannot but be well bestowed on the *just* and *sound* policy of securing to our manufactures the success they have attained, and are still attaining, in some degree, under the impulse of causes not permanent, and to our navigation the fair extent of which it is, at present, abridged by the unequal regulations of foreign Governments.

"Besides the reasonableness of saving our manufactures from sacrifices which a change of circumstances might bring upon them, the National interest requires that, with respect to such articles at least as belong to our defence and primary wants, we should not be left in a state of unnecessary dependence on external supplies."

War with Great Britain soon followed ; and, for more than two years ensuing, the land resounded to the clash of arms. When peace was at length restored, Mr. Madison transmitted[2] the Treaty of Ghent to Congress, accompanied by an explanatory Message, in which he says : —

"But there is *no* subject that can enter with *greater* force and merit into the deliberations of Congress than a consideration of the means to *preserve and promote the manufactures* which have sprung into existence, and attained an unparal-

[1] November 5, 1811. [2] February 20, 1815.

leled maturity throughout the United States during the period of the European Wars. This *source of national independence and wealth*, I *anxiously* recommend, therefore, to the *prompt* and *constant guardianship* of Congress."

Finally, in his seventh Annual Message,[1] to a new Congress, about to enter upon the revision of the Tariff and its adaptation to the changed circumstances of our country, consequent not merely on the close of our own War with Great Britain, but, on the final overthrow of Napoleon, and the resulting restoration of peace to the world, the veteran statesman, about to take leave forever of public life, addressed words freighted with the wisdom born of rare natural sagacity and the observations of a long, eventful, thoughtful, active, honored career. I entreat every reader to weigh carefully every word of the following, in contrast with the antagonist inculcations now so persistently dinned into the public ear. Mr. Madison says: —

"In adjusting the duties on imports to the object of revenue, the influence of the tariff on manufactures will necessarily present itself for consideration. However wise the theory may be which leaves to the sagacity and interest of individuals the application of their industry and resources, there are in this, as in all other cases, exceptions to the general rule. Besides the condition which the theory itself implies, of a reciprocal adoption by other nations, experience teaches that so many circumstances must concur in introducing and maturing manufacturing establishments, especially of the more complicated kinds, that *a country may remain long without them, although sufficiently advanced, and in some respects even peculiarly fitted, for carrying them on with success.* . . . . In selecting the branches more especially entitled to the public patronage, a preference is obviously claimed by such as will relieve the United States from a dependence on foreign supplies, ever subject to casual failures, for articles necessary for the public defence, or connected with the primary wants

[1] December 5, 1815.

of individuals. It will be an additional recommendation for particular manufactures when the materials for them are extensively drawn from our agriculture, and consequently impart and insure to *that* great fund of national prosperity and independence an encouragement which cannot fail to be rewarded."

Mr. Alexander J. Dallas, the eminent Secretary of the Treasury, supplemented[1] Mr. Madison's Message, with a special Report (drawn up in obedience to a requirement of the House), embodying the draft of a Tariff contemplating both Revenue and Protection, and cogently commending the policy of Protection. I ask attention to but a single paragraph of that Report, which bears directly on the points under discussion. Says Mr. Dallas:—

"Although some indulgence will always be required for any attempt so to realize the national independence in the department of manufactures, the sacrifice cannot be either great or lasting. The inconveniences of the day will be amply compensated by future advantages. The agriculturist, whose produce and whose flocks depend for their value upon the fluctuations of a foreign market, will have no occasion eventually to regret the opportunity of a ready sale for his wool or his cotton in his own neighborhood; and it will soon be understood that the success of the American manufacture, which tends to diminish the profit (often the excessive profit) of the importer, does not necessarily add to the price of the article in the hands of the consumer."

Mr. Newton of Virginia, — who lived and served till he was known as the father of the House, — on the same day made, from the Committee on Commerce and Manufactures, a Report urging a largely increased duty on Cotton Fabrics, and of course favoring Protection in general. In view of the base efforts since employed to sow dissension not only between different classes but between different sections of our country, on the assump-

[1] February 13, 1816.

tion that Protection taxes one for the benefit of another, I solicit attention to two paragraphs of the language of the Committee, through Mr. Newton, as follows : —

"The States that are most disposed to manufactures as regular occupations will draw from the agricultural States all the raw materials which they want, and not an inconsiderable portion, also, of the necessaries of life; while the latter will, in addition to the benefits which they at present enjoy, always command, in peace or in war, at moderate prices, every species of manufacture that their wants may require. Should they be inclined to manufacture for themselves, they can do so with success, because they have all the means in their power to erect and extend at pleasure manufacturing establishments. Our wants being supplied by our own ingenuity and industry, exportation of specie to pay for foreign manufactures will cease."

Referring to the general advantages of the Protective system in developing the resources of the whole country, the Committee say : —

"Every State will participate in those advantages; the resources of each will be explored, opened, and enlarged. Different sections of the Union will, according to their position, the climate, the population, the habits of the people, and the nature of the soil, strike into that line of industry which is best adapted to their interest and the good of the whole; an active and free intercourse, promoted and facilitated by roads and canals, will ensue; prejudices, which are generated by distance and the want of inducements to approach each other and reciprocate benefits, will be removed; information will be extended; the Union will acquire strength and solidity; and the Constitution of the United States, and that of each State, will be regarded as fountains from which flow numerous streams of public and private prosperity."

The Tariff thereupon framed and passed was reported by William Lowndes of South Carolina, one of the ablest and purest men whom this country ever knew. One of its most salient provisions was that which established

a *minimum* of twenty-five cents per square yard for Cotton Fabrics, — that is to say, the duties on Cotton and on Woollen Fabrics being alike fixed at twenty-five per cent., it was provided that all Cotton Fabrics invoiced as costing less than twenty-five cents per square yard should be deemed to have cost that sum, and subjected to duty accordingly. The effect, of course, was to make the amount actually assessed on cheap, coarse Cotton goods equal to an Ad Valorem impost of fifty to one hundred per cent. [Here is that atrocious imposition of exorbitant taxes on the fabrics worn by the *poor*, while those bought by the *rich* pay next to nothing, whereupon modern demagoguism so exuberantly disports itself.] A desperate effort was of course made to strike out this provision for a minimum. This was resisted by JOHN C. CALHOUN, then a young member from South Carolina, but one of recognized eminence and power. Mr. Calhoun based his support of a high specific duty on cheap, coarse Cotton Fabrics, on these grounds :—

"Neither agriculture, manufactures, nor commerce, taken separately, is the cause of wealth; it flows from them combined, and cannot exist without each. The wealth of any single nation, or individual, it is true, may not be immediately derived from the three; but such wealth always presupposes the existence of the three sources, though derived immediately from one or two of them only. Taken in its most enlarged sense, without commerce, industry would have no stimulus; without manufactures, it would be without the means of production; and without agriculture, neither of the others can exist. When separated entirely and permanently, they must perish. War, in this country, produces to a great extent that separation; and hence the great embarrassment that follows in its train. The failure of the wealth and resources of the nation necessarily involves the ruin of its finances and its currency. It is admitted by the most strenuous advocates on the other side, that no country ought to be de-

pendent on another for its means of defence, — that at least our musket and bayonet, our cannon and ball, ought to be of domestic manufacture. But what is more necessary to the defence of a country, than its currency and finance? Circumscribed as our country is, can these stand the shock of war? Behold the effect of the late war on them! When our manufactures are grown to a certain perfection, as they soon will under the *fostering care of the Government*, we will no longer experience those evils. *The farmer will find a ready market for his surplus produce*, and, what is of almost equal consequence, *a certain and cheap supply* of all his wants."

These and like arguments prevailed, — South Carolina herself giving six votes for sustaining the *minimum* to two against it, — and the high duty thus imposed on cheap, coarse Cotton Fabrics enabled our few cotton-mills to ride out the storm that quickly followed the opening of our ports to British Manufactures at generally low duties upon the proclamation of Peace. While most of our Manufactures were prostrated, these withstood the convulsion, and our production of cheap Cottons has ever since been more solidly, uniformly prosperous than any other, and the relative price of such Fabrics has long been lower here than elsewhere in the wide world.

I might quote from the Messages of Governors GEORGE CLINTON, DANIEL D. TOMPKINS, DE WITT CLINTON, SIMON SNYDER, and many others of like eminence, urgent recommendations of Protection to Manufactures on grounds substantially identical with those taken above; but need I? The fact that they commended such Protection in the interest of American Agriculture, and as a means of enhancing the measure of its recompense while insuring a far larger and steadier demand for its products, is undenied and undeniable. These illustrious patriots had no special interest in Manufactures, save as a means of promoting and securing "the greatest good of the

greatest number." Not for the sake of Manufactures primarily or mainly, but in pursuance of what they profoundly believed the general good, did they uphold and commend the policy of Protection.

Names are nothing. I would have no one accept a proposition merely because Washington or Jefferson, Madison or Dallas, did. I ask attention, not to the fact that these held as I do, but to their *reasons* for so doing, — their grounds for believing that the upbuilding and diversification of Manufactures among us were essential to the prosperity and growth of our Agriculture, the just recompense of our Labor. If their views were crude and narrow, selfish and perverse, let judgment be rendered accordingly; but first consider their positions, weigh their arguments, and do not condemn them unheard, merely because a different school of economists, with admirable self-complacency and modesty, assure you that their own views are liberal, enlightened, philosophic, statesmanlike, and that all who dissent therefrom are inevitably selfish, shallow, short-sighted, and absurd.

IX.

THE STATE — ITS LEGITIMATE SPHERE — POWERS AND DUTIES — FREE TRADE AXIOMS CONSIDERED.

As I write, the proceedings of a Free Trade meeting[1] in Chicago are laid before me. They open with a preamble and resolves, moved by Dr. Ray, whereof the base or groundwork is the following proposition: —

"*Whereas*, The right of each citizen of a free country to have and to hold the fruit of his own labor at the control of his own will; to sell the same where he chooses; to take what he pleases to pay therefor, without let or hindrance, save in the way of just taxes *to maintain law and order in the state*, is as clear as his right to his own life, and may not be overridden without danger to all his other rights."

Here it is clearly affirmed that taxation is legitimate and rightful only when its proceeds are devoted to a single purpose, — "to maintain law and order in the state." Of course, taxation to pay the purchase-money for Louisiana was usurping and fraudulent, not merely on the ground affirmed by Mr. Jefferson, that the Federal Constitution did not warrant any such expenditure, but on the broader, more sweeping assumption that *no* Constitution *could* warrant it, — that it was made for a purpose wholly foreign to the legitimate ends of government.

Yet Dr. Ray, I cannot doubt, has favored the expenditure of large sums and the contracting of a con-

[1] July 13, 1869.

siderable debt, by Chicago expressly to provide her people with pure, sweet water, — a purpose which he declares wholly without the legitimate sphere of government. At all events, *I* very heartily voted, thirty-six years ago, to bring the Croton water into our city at a very heavy cost to her tax-payers, of whom I was not yet one. There was a spirited opposition, especially in the poorest quarters of the city, — two of the Wards mainly inhabited by non-tax-payers giving majorities in the negative. Yet, at least two-thirds of all who voted at all voted *for* Water; and our city has been more attractive, more healthful, less liable to pestilence, less filthy, less noisome, and every way more fit for human habitation, since that water came pouring through our streets and streaming into our houses. We obtained it by voting to mortgage and tax the property alike of those who assented and those who protested, — by decisively denying and overruling the alleged "right of a free citizen to have and to hold the fruit of his own labor at the control of his own will." I cannot doubt that Dr. Ray has done the same in at least a hundred different instances, and especially with regard to Common Schools.

But I offer a still more conspicuous proof of the futility of Dr. Ray's proposition: I put in evidence against him the City of New York, the Commercial Emporium of the New World. Men carelessly say that her wondrous growth and unrivalled predominance are the results of her great natural advantages: even a commercial dictionary[1] lying before me asserts that "New York is indebted, for her wonderful increase, to her admirable situation, which has rendered her the greatest emporium of the New World." Yet such is by no

[1] A Cyclopædia of Commerce. Edited by J. Smith Homans. Harper and Brothers. 1858.

means the fact. New York was more than two centuries old before she could be deemed the commercial emporium even of this country. Though settled more than half a century sooner, New York was long second to Philadelphia, and was barely abreast of her down to a time far within my recollection. The population of the two cities under each Federal Census was, respectively, as follows: —

	New York.	Philadelphia.
In 1790	29,906	45,250
In 1800	60,489	70,287
In 1810	96,373	96,287
In 1820	120,376	119,325
In 1830	202,589	167,325
In 1840	312,852	258,037
In 1850	515,547	408,762
In 1860	813,668	568,034

But other American seaports long disputed the palm with New York. Goods were formerly shipped to Charleston, S. C., for New York; Newport once surpassed her in the amount of her shipping; Norfolk long cherished dreams of commercial ascendency, which she is just reviving; while the sudden upspringing of Baltimore, consequent on the rapid settlement of western Virginia and eastern Ohio, and her natural excellence of position as the point at which the tide-waters of the Atlantic approached most nearly the valley of the Ohio, render it probable that, in the absence of artificial channels for transportation, she would have risen to the primacy among American cities.

But, even before we had emerged from Colonial dependence, agitation for an artificial water-way between the seaboard and the West had commenced. Indeed, a rude yet practicable passage-way for boats between the Mohawk and Wood Creek, and thus between Schenectady and Lake Ontario, is said to have been actually ef-

fected so early as 1768; in which year Governor Sir Henry Moore recommended to the Colonial Assembly of New York a Canal around the rapids in the Mohawk now known as Little Falls. Before the Revolution, George Washington in Virginia and Christopher Colles of this city had severally pondered and agitated the means of opening a water communication from the seaboard to the West; and hardly had peace crowned the struggle of our fathers for Independence when Mr. Colles, in successive memorials to our State Legislature, and General Washington (now likewise a private citizen), were actively at work. I ask special attention to Washington's own simple account[1] of his action in the premises, and the views which prompted it: —

"I have lately [says he] made a tour through the Lakes George and Champlain, as far as Crown Point; then, returning to Schenectady, I proceeded up the Mohawk River to Fort Schuyler, crossed over to Wood Creek, which empties into the Oneida Lake, and affords the water communication with Lake Ontario; I then traversed the country to the head of the eastern branch of the Susquehanna, and viewed the Lake Otsego, and the portage between that lake and the Mohawk River at Canajoharie. Prompted by these actual observations, I could not help taking a more contemplative and extensive view of the vast inland navigation of the United States, and could not but be struck with the immense diffusion and importance of it, and with the goodness of that Providence who has dealt His favors to us with so profuse a hand. *Would to God we may have wisdom enough to* IMPROVE *them.*"

Washington, it is clear, was not a Free-Trader. He did not believe, with Dr. Ray, that the sole legitimate end of government is "to maintain law and order," and that to tax for any other purpose is to outrage "the right of each citizen of a free country to have and to hold the

[1] Letter to the Marquis of Chastellux, 1784.

fruit of his own labor at the control of his own will." After taking, in the Autumn of that year, another tour up the Potomac, and so far westward as Pittsburg, examining the natural facilities for cutting a Canal by that route to connect the waters of the Atlantic with those of the Ohio, he wrote to Governor Harrison of Virginia, urging the importance of early and decided steps to achieve such communication. He sought to interest Maryland also in the work, and urged the moral certainty that New York and Pennsylvania would soon strike out vigorously to secure, each for herself, a control of the trade of the rapidly growing West; adding, with characteristic breadth of vision: —

"I am not for discouraging the exertions of any State to draw the commerce of the Western country to its seaports. The more communications we open to it, the closer we find that rising world (for, indeed, it may be so called) to our interests, and the greater strength we shall secure by it. Those to whom Nature affords the best communications will, *if they are wise*, enjoy the greatest share of the trade. All I would be understood to mean, therefore, is, that the gifts of Providence may not be neglected."

Will any say that Washington expected private individuals, in our then infantile and impoverished condition, to furnish the means and take the risk of cutting canals (then scarcely known out of China) through the wooded mountains which separated the settled portions of our seaboard States from the lakes and navigable rivers of the North and West? Hear how he urges on Governor Harrison the grave political reasons for effecting such communications: —

"I need not remark to you, Sir, that the flanks and rear of the United States are possessed by other powers — and formidable ones too — [Great Britain and Spain]; nor need I press the necessity of applying the cement of interest to bind all parts of the Union together by indissoluble bonds, — es-

pecially of binding that part of it which lies immediately west of us to the Middle States."

Mr. Colles again petitioned our Legislature on this subject in 1786, and was backed by others of greater prominence and influence. Yet it was not till 1791 that "The Western Inland Lock and Navigation Company" was chartered, whereby a canal with five locks around the "Little Falls" of the Mohawk was constructed in the course of the ensuing six or seven years, with another at the German Flats, and another connecting Wood Creek with the Mohawk, — in all, seven miles of Canal, with nine wooden locks. The whole cost $400,000, and were not worth even that sum; for the facilities for navigation thereby afforded were so meagre and imperfect that so little commerce was attracted to this route that it never paid expenses. In fact, it was morally impossible that any adequate and attractive channel of transportation should be created otherwise than by employing the resources and credit of the State.

Here New York paused, as if amazed at her own temerity, — our State then containing scarcely more than a quarter of a million inhabitants, hardly five thousand of whom lived westward of Utica, — and gave Pennsylvania, with her vastly superior wealth and population, ample opportunity to secure for herself the proud position of Empire State, and for her chief city the enduring character and prestige of Emporium of American Commerce. Ignorance or heedlessness can hardly excuse her failure; for, so early as 1796, Robert Fulton, then in Europe, wrote to her Governor (Thomas Mifflin), urging her to open a water transit through her territory from the seaboard to the Lakes, and adding: —

"I hope I shall see the time when canals shall pass through every vale, wind around each hill, and bind the whole country together in bonds of social intercourse."

He was too sanguine, as great men are apt to be. He did not live even to see the Erie Canal commenced. But he *did* live to see its construction directed and assumed by the State,[1] after years of preparatory discussion, surveying, and estimating, and to be himself chosen one of the Commissioners to direct the great enterprise; but War with Great Britain intervened to postpone its actual commencement, so that his decease[2] preceded, by more than two years, the actual breaking ground;[3] from which date eight years were required to complete the narrow and shallow water-ways which first connected the navigable waters of the Hudson with those of Lakes Champlain, Ontario, and Erie. The cost of those rudimentary canals was about Seven Millions of Dollars; and there are this day One Thousand Millions' worth of property in this City and State, and thrice that amount in the Union, more than there would have been had that work been postponed for even so short a term as twenty years.

Yet it evinced far greater courage in our State to undertake it in 1811 than for the Union, half a century later, to resolve that it would have a Railroad from the Missouri to the Pacific.

The commercial ascendency, and consequent rapid growth in business, industry, and wealth, of the City of New York, are direct and manifest results of the resolution of the State, under the lead of De Witt Clinton, to construct, on her own responsibility and credit, the Erie and Champlain Canals. This resolution was maintained in the face of a formidable and vehement opposition, generally upheld by the very City which those Canals were to aggrandize beyond the wildest dreams of enthusiasts or of speculators in corner-lots. The Canal

[1] April 8, 1811.
[2] February 14, 1815.
[3] At Rome, Oneida Co., July 4, 1817.

policy was maintained by the strong arms of our Western pioneers and small farmers, mainly Yankees, then growing Wheat in the rich valleys of the Genesee and Tioga at twenty-five to fifty cents per bushel, and intent on having a cheaper outlet to the seaboard.[1] They reëlected De Witt Clinton Governor, in 1820, when his defeat was deemed inevitable, and when the politicians and journals of the lower end of the State were almost a unit against him, and when the cry "Fill up the ditch!" was popular in the bar-rooms and around the polls of the Southern District. The City of New York owes her present proud position to the fact that those Western farmers had not studied political economy in the school of negation and obstruction, whereof Dr. Ray is a graduate and apostle.

But opposition to the Canal policy was not confined to the region below the Highlands, though there it was most rampant. Men who reasoned as Dr. Ray and other Free-Traders now do, were heard in every county. A respectable Dutch farmer, owning and enjoying a goodly estate on the Mohawk flats, above Schenectady, hung himself when he found it impossible to prevent the cutting of the hated ditch right through his rich meadows. Even so late as 1827, I heard an innkeeper of fair natural powers in Chautauqua County denouncing the

[1] Hon. Jabez D. Hammond, in his cautious and able "History of Political Parties in the State of New York," thus characterizes the delegation from this City to the Legislature of 1818, whereof he was a member: —

"The members of Assembly from the City of New York were all from the hot-bed of Tammany Hall. All of them, with the single exception of Cadwallader D. Colden, were open and bitter in their denunciations of the Governor [De Witt Clinton], and the system of internal improvements, at the head of which he stood, and with which he was identified. They predicted with confidence the entire failure of the system, and thence the serious embarrassment and disgrace, if not the ruin, of the State. They claimed that the reputation of Mr. Clinton was staked on the fate of this system, and they professed their entire willingness to abide the result."

Erie Canal as an unmitigated curse to Western New York. Nearly twenty years later, the able and eminent Colonel Samuel Young, in a report to the Senate, pronounced the "songs of internal improvement" "libels on the laws of God." The Canal policy of New York was fought as recklessly as the Protective policy now is, upon the same fundamental assumptions and by essentially identical arguments. It was stigmatized as a device of the speculating, grasping few, to enrich themselves at the expense of the simple, plodding, credulous many, by means wholly foreign to the legitimate sphere of government. And, if the premises above laid down by Dr. Ray are sound, they were clearly right. If he knows as much of Political Economy as one should do who assumes to teach it, then a State has not, and never had, any right to make canals. If his fundamental assumption is sound, then the Erie Canal is the result of a blundering usurpation, and New York has no business to be the Commercial Emporium, seeing that she became so by reason of our State's flagrant defiance of the natural, inalienable Rights of Man.

I proceed to consider a moderate and plausible affirmative averment of the doctrine which, in its negative application, Dr. Ray seems to me to have overstrained and run into the ground. I quote it from Adam Smith,[1] as follows :—

"Every individual is continually exerting himself to find out the most advantageous employment for whatever capital he can command. It is his own advantage, indeed, and not that of the society, that he has in view, — *but the study of his own advantage naturally*, or rather *necessarily, leads him to prefer that employment which is most advantageous to the society.*"

This is the true and necessary corner-stone of the

[1] Wealth of Nations, Book IV. Ch. III.

Free Trade structure. I cannot accept it. It ignores the most vital distinctions, and makes him who amasses most wealth the most useful citizen, contrary to every man's experience and moral perceptions. Here are four brothers, who set out resolved to make their way in the world; one of them patiently hewing a farm out of the Western wilderness, the second establishing a plough-factory, the third opening a grog-shop, and the fourth a gaming-house, and each living by and prospering in his vocation. Suppose that, as the fruit of thirty years' effort, the rumseller has made $ 100,000, and the blackleg $ 200,000, while the farmer is worth but $ 10,000, and the plough-maker $ 20,000, does it follow that the former have been the better citizens, or that their manner of life is justified by their thrift? Each has "studied his own advantage," — has followed that pursuit to which he was attracted, — and his choice has been crowned with the success to which he aspired; and, if "the study of his own advantage naturally, or rather necessarily, leads him to prefer that employment which is most advantageous to the society," (community,) why, then, the blackleg is the most meritorious of the four, and has done more good than all the rest. I reject and repel the philosophy which leads to such revolting conclusions. I insist that the value to the community of a man's efforts is not indicated or measured by the amount of his resulting gains, — that one may enrich himself in a pursuit or calling which impoverishes and curses his neighbors and countrymen. In short, I consider the Free Trade premise fallacious, pestilent, and utterly mistaken.

A later and more skilful presentment of the Free Trade theory is contained in the celebrated Petition to Parliament of the Merchants and Traders of the City

of London, which Mr. Huskisson deemed so conclusive. I will here quote its more essential propositions: —

"That foreign commerce is eminently conducive to the wealth and prosperity of the country, by enabling it to import the commodities for the production of which the soil, climate, capital, and industry of other countries are best calculated, and to export in payment those articles for which its own situation is better adapted;

"That freedom from restraint is calculated to give the utmost extension to foreign trade, and the *best* direction to the capital and industry of the country;

"That the prevailing prejudices in favor of the Protective or restrictive system may be traced to the erroneous supposition that every importation of foreign commodities occasions a diminution or discouragement of our own productions to the same extent; whereas, it may be clearly shown that, although the particular description of production that could not stand against the unrestrained foreign competition would be discouraged, yet, as no importation could be continued for any length of time without a corresponding exportation, direct or indirect, there would be an encouragement, for the purpose of that exportation, of some other production, to which our situation might be better suited; thus affording at least an equal, and probably a greater, and certainly a more beneficial, employment to our own capital and labor."

I have quoted this petition as the clearest, tersest, fairest, most forcible, exposition of the Free Trade doctrine within my knowledge. If there is a better or more cogent, I will thank any Free-Trader except its author to point it out to me. I ask for this the consideration to which its ability, frankness, and calmness so clearly entitle it. Let the reader ponder along with it these brief comments: —

I. Its fundamental assumption clearly involves the dictum of Adam Smith above quoted, that *every man, if left to do what he deems most advantageous to himself, will do what is best for the community.* Unhappily, our

courts, sheriffs, police, prisons, gibbets, are standing proofs that this cannot be relied on. Nor would the Erie Canal have been seasonably constructed, if ever, had every one been left at liberty to contribute or not, as he deemed most conducive to his personal interest, and to sell the right of carrying it across his land at such price as he should see fit to demand.

II. It is further assumed that, if there be no restriction on trade, we shall import only those commodities which the soil, climate, &c., of other nations enable them to produce more advantageously than we can. Abundant experience has demonstrated that we do and will extensively import many commodities for the production of which no other country has greater natural advantages than our own. We have repeatedly imported a large share of our Breadstuffs; we habitually import largely of the Fabrics in which we are clothed, as well as Wool, Iron, Wines, &c., &c., for the production of which we are as favorably situated as any people on earth. That we *ought* to import a certain article is no more proved by the fact that we *do* import it than the rightfulness of many other practices is proved by our addiction to them.

III. While it is very true that those from whom we buy abroad expect an equivalent for their wares, and generally obtain it, it by no means follows that we thence secure "at least an equal, probably a greater, and certainly a more beneficial, employment to our own capital and labor." Throughout the last five or six years, we have been buying very largely of European Metals, Wares, and Fabrics, paying therefor in Cotton, Wheat, Cheese, Bacon, Lard, &c., so far as these would go, and eking out a heavy deficiency by sending over ream after ream of the bonds of our Government to "comble the deficit." These bonds, having fifteen or twenty years to run, drawing six per cent. interest, and

payable in coin, we have sold at fifteen to fifty per cent. discount from their face, and thereby squared our accounts from time to time, until it is now understood that Europe holds them to the extent of at least Nine Hundred Millions of Dollars, not to speak of our State bonds, Railroad bonds, &c., &c., to the amount, probably, of Five Hundred Millions more. The individuals who remitted these bonds, or exchange drawn by bankers against them, in payment for the goods we have eaten, drank, or worn out, may have made a profit on each transaction, — may very probably have grown rich by these dealings ; but I cannot doubt that our country has been impoverished by them, — has enjoyed present luxury and ease at the cost of future hardship and embarrassment, — has played the part of prodigal to that of usurer enacted by Europe, — and is bound to sweat and toil through many future years to retrieve the fortunes shattered by this brief season of reckless, short-sighted prodigality. I hold it proved by this ready example that a nation which increases lavishly her imports does not (as the London Petition asserts) secure thereby "a more beneficial employment for her own capital and labor," but, on the contrary, may thereby doom herself to a cycle of depression, calamity, and unavailing sorrow.

X.

PROTECTION FOR AGRICULTURE.

I HAVE hitherto sought to demonstrate that the founders of this Republic — themselves either farmers by vocation or the representatives of farmers mainly — deliberately and thoughtfully determined to protect and develop Home Manufactures, and that they did this in the conviction that they thereby promoted the interest and enhanced the gains of American Agriculture. If any one chooses to pronounce them idiots, I shall not here contest the assumption; but the hypothesis of their ignorance of the vital matter in dispute is at war with facts mountainous and incontrovertible. Free Trade had always a strong party in Congress; its dogmas and its arguments were essentially as now; and they have no living champion able to present them more forcibly than Mr. Webster did in his speech of 1824, when John Randolph of Roanoke led the anti-Protectionists of the South [1] as intrepidly as Mr. Webster did

[1] Hezekiah Niles, in his Weekly Register of May 1, 1824, thus outlines the division by sections and interests that then pervaded the Union: —

"The people of the Middle and Western States are anxious for the establishment of domestic manufactures, that they may have a home market for their *agricultural products*; and those of the South and Southwest are opposed to such establishment, because they apprehend it will reduce the demand of the foreign market, and so injure their *agriculture*. The people of Maine, New Hampshire, and Massachusetts, are against a *Protective* Tariff, because it may interfere with a *protected* navigation; and the small States of Rhode Island and Connecticut are for it, for the reason that it will encourage, if it shall not increase, the products of their industry."

those of the North, — but in vain. The Middle States,[2] from New York to Kentucky inclusive, declared *for* Protection, upon the grounds so forcibly set forth in General Jackson's letter (already quoted) of that year to Dr. Coleman of Virginia. Those States, — still almost exclusively Agricultural — decided that to "plant the manufacturer by the side of the farmer" was (in General Jackson's words) the true and sure way to increase the recompense of the husbandman's toil — that, even though his Metals, his Implements, his Wares, his Fabrics, should cost him more *money* than under Free Trade, he would nevertheless pay for them with less *Produce* or Labor; which was to him the controlling consideration. Such was their conclusion, after listening for years to arguments, pro and con, from statesmen at least as able as their successors now living. I, though a child in the early stages of their controversy, was an eager and omnivorous reader of those discussions; my judgment thereon was held in abeyance until after years of dispassionate inquiry and consideration; it ultimately inclined to the conclusions of Hezekiah Niles,

[2] The Tariff of 1824 was levied avowedly and exclusively with a view to additional Protection. It passed the House (only two members absent) by 107 Yeas to 102 Nays, divided locally as follows: —

	For the bill.	Ag't it.		For the bill.	Ag't it.
Maine,	1	6	Maryland,	3	6
Massachusetts,	1	11	Virginia,	1	21
New Hampshire,	1	5	North Carolina,	—	13
Rhode Island,	2	—	South Carolina,	—	9
Connecticut,	5	1	Georgia,	—	7
Vermont,	5	—	Tennessee,	2	7
New York,	26	8	Mississippi,	—	1
New Jersey,	6	—	Alabama,	—	3
Pennsylvania,	24	1	Louisiania,	—	3
Delaware,	1	—	Missouri,	1	—
Ohio,	14	—	Indiana,	2	—
Kentucky,	11	—	Illinois,	1	—

Henry Clay, and Rollin C. Mallary;[1] and the convictions then deliberately attained have since remained unclouded and unshaken.

If controversy is to be prosecuted with a sincere purpose of arriving at a common and just conclusion, the disputants must grapple with and try to comprehend each other's positions. I seek, then, the latest authentic exposition of the Free Trade view of the point I am considering, and find it a synopsis of Dr. Francis Lieber's recent lectures on "Protectionist Fallacies," as Professor of Political Economy in Columbia College. In his summary report thereof for The Evening Post he comes at length to what he terms the Pauper-Labor argument, and I read as follows: —

"It is mere fallacy; and possibly no [other] argument of our Protectionists is so fallacious as this, their most popular, because most insinuating, argument. The errors and inconsistencies involved in it are so numerous that little more can be done here than barely to enumerate them.

"All that is meant by American labor in this case is the manufacturing labor and that of the artisans, — the workmen, as they are styled. But is the farmer not a workman? There are far more laborers engaged in farming than in manufacturing and handicrafts, — I believe twice as many. All these citizens of our republic are left unprotected against the protected workmen; for the farmer has to pay a higher price; that is to say, *he must work several days more for what he stands in need of than he would had not our Legislature privileged a particular class called workmen.* The farmer cannot spend the product of so many days' labor — of which he is robbed for the supposed benefit of another class — for better schooling or more respectable dresses for his children, more comforts for his wife, more books for himself, or the improvement of his farm."

[1] Among those who sustained these conclusions by their votes as Senators, in passing the Tariff of 1824, were Andrew Jackson and John H. Eaton of Tennessee, Martin Van Buren of New York, and Thomas H. Benton of Missouri.

Dr. Lieber here quietly assumes the vital matter in issue, — namely, that the farmer "must work several days *more* for what he stands in need of," under Protection than under Free Trade. I will not doubt that such is *his opinion*, which he has a perfect right to propound and uphold as such; but I know nothing in his position or achievements which entitles that opinion to pass unchallenged when such respectable authorities as Napoleon I., Henry Clay, Walter Forward, A. Alison, Thiers, Daniel Webster (from and after 1828), Henry C. Carey, &c., &c., are arrayed against him. I hold, with them, that the Professor is mistaken, — that the farmer is *not* "robbed" by Protection, even though Manufactures only were thereby subjected to duty (which is by no means the case), — that he is *not* thereby required to work "several days more" for the wares and fabrics he buys, but the contrary. It seems to me self-evident that Protection tends to shorten the distance between the farmer and the artisan or manufacturer, hence to diminish the cost of exchanging their respective products, and thus to secure to the farmer, not only surer and steadier markets for his produce, but an ampler recompense for his labor. Such are the conclusions that long ago made me a Protectionist. Neither Professor Lieber nor any of his school have even *tried* to convince me that I am in error. They dogmatically assume, 1. That home-made Wares and Fabrics must cost more *money* than their imported rivals, — which is probable, though not always the case; and 2. That, if they cost more money, they must cost the farmer more of his *produce* or labor, which is quite another matter, and which I most confidently deny. I hold that the Metals, Wares, and Fabrics, required and bought by our farmers, would cost them very much *more* of their produce if, in the absence of Protection, we ob-

tained them almost wholly from abroad. As this is the vital point, let me elucidate it more fully : —

I. Distant markets are all but inevitably inconstant, uncertain markets. Europe has deficient harvests one year, and buys Grain of us quite freely ; but next year her harvests are bounteous, and she requires very little more food than she produces, no matter how freely we may be buying of her fabrics. Hence, our Wheat now sells very far below the prices which ruled here when Europe had a meagre harvest.

II. A heavy export of Wheat and other cereals is a virtual exportation of certain of the best elements of our soil. It must and will gradually impoverish the best soils, and soon exhaust those of medium or lower capacity. Thus, the average product of Wheat in this country has fallen in the course of the last sixty years from twenty-five to twelve bushels per acre, while that of Great Britain has risen in like proportion. She has drawn away from us much of the best elements of our soil, and applied this in good part to the improvement of her own. Sixty years ago, Eastern New York was a wheat-growing region ; forty years ago, that industry had moved westward to the " Holland Purchase," or Genesee country ; that, too, in turn gave out, and wheat-growing took flight to Michigan, Illinois, Iowa, Wisconsin, Minnesota ; these will in turn be exhausted, if crop after crop of Wheat or Corn is grown and shipped off, returning little or nothing to the soil. Skilful, scientific husbandry dictates that more shall annually be given to the soil than is taken therefrom ; but this is impracticable where crops so exhaustive as the cereals are grown mainly for exportation and shipped away to be consumed on another continent.[1]

[1] Mr. George E. Waring, in a paper read before the Geographical Society of this city, says : —

" In my opinion, it would be improper to estimate the total annual

III. A remote market virtually restricts the farmer to two or three great staples; while near markets enable him to diversify his products, and thus maintain and increase the productive capacity of his soil.

IV. I will illustrate my general view of the influence of Protection, as it affects the Farming interest, by a familiar example: —

The old Scotch-Irish settlement of Londonderry, N. H., is now divided into four townships, all devoted to Agriculture, as they have been since first settled by White men a century and a half ago. With our factories and workshops still in Europe, her farmers must pay for their Fabrics mainly with Grain and Meat, sold at somewhat less than their present (gold) prices. But Protection has built up four great manufacturing centres — Lowell, Nashua, Manchester, and Lawrence — on three sides of old Londonderry, and but five to fifteen miles away; and her farmers supply these with Fuel, Timber, Milk, Apples, Hay, &c., at prices which give them more than double the return they could realize with our workshops still in Europe. They sell thousands of cords of Wood for three to five times as much as it would be worth (uncut) but for the proximity of manufactures. And their advantage is being steadily diffused, by the springing up of one or another species of manufacture, all over the country, — in the South and West more rapidly of late than in the North and East.

Most certainly do I believe that the prices of Home Manufactures (estimated in Labor or in Farm Products)

waste of the country at less than equal to the mineral constituents of *fifteen hundred million bushels of corn*. To suppose this can continue, and we can remain prosperous, is simply ridiculous. As yet, we have much virgin soil, and it will be long ere we reap the full fruits of our improvidence; but it is merely a question of time. With our earth-butchery and prodigality, we are each year losing the intrinsic essence of our vitality."

tend steadily downward, — that a hundred bushels of Wheat or Corn, a ton of Beef or Pork, a load of Apples or of Potatoes, will buy far more Iron, or Cloth, or Hardware, in 1869, than it would have done in any anti-Protective era of our country. Though the money prices of American fabrics should range even fifty per cent. higher than those of their Foreign-made rivals, I hold it the true policy of our farmers to encourage and prefer the home-made, because they thus advance their own interest by enlarging, quickening, and rendering constant the demand for their products, while securing better prices for them.

If such be not the fact, why is it that the farmers of the British "Dominion" north of us are selling their lands at low rates, and even (in some cases) deserting them unsold, to buy and work dearer lands within the bounds of our Union? They have lower taxes and a lighter debt in Canada; they have cheap British fabrics, imported under low revenue duties; and they have no serious political grievance or discontent; yet they are crossing over to us this year as never before; and they come to stay. If Free Trade is better for the farmer, why do they not stay where they can enjoy it? If Protection is not the impulse to this exodus, why have they not so poured in upon us before?

Benjamin Franklin, writing home from London in 1771, while these States were still British colonies, and their manufactures systematically discouraged and repressed by the mother country, thus happily indicates the interdependence of Agriculture and Home Manufactures: —

"Every manufacturer encouraged in our country makes part of a *market* for provisions within ourselves, and saves so much money to the country as must otherwise be exported to pay for the manufactures he supplies. Here in England it is well known and understood that wherever a manufacture

is established which employs a number of hands *it raises the value of land in the neighboring country all around it.* It seems, therefore, the interest of our farmers and owners of land to encourage our young manufactures in preference to foreign ones."

The essential fact here noted is one which any one may verify by personal observation. Let it be noised abroad that a "city of spindles" is soon to be erected on some great waterfall hitherto unimproved and useless, and how quickly every farmer in the vicinity advances the price of his land! He may be an ultra Free-Trader, — he may seem to detest Manufactures as corrupting, or on some other ground; but he none the less realizes that his farm is worth far more to-day than it was yesterday. It is so for the same reason that a landlord who lives on his estates and spends his income in the vicinity is more popular with his tenants than if he spent his means in distant cities and foreign capitals. Economists may seem to demonstrate that the difference is ideal or sentimental, but the tenants know better.

That the farmer who has an ample market at his door may and will diversify his products, improve or at least retain the better qualities of his soil by a rotation of crops, and return to that soil the elements which cultivation has exhausted, is plain. On this point, Henry C. Carey[1] happily says: —

"Steadiness and regularity in the returns to agricultural labor grow with increase in the variety of commodities to the production of which the land may be devoted. Disease, too, tends to disappear as population grows, and a market is created on or near the land. The poor laborer of Ireland sees his crop of potatoes perish of rot, consequent on the unceasing exhaustion of the soil; and the agriculturist of Portugal witnesses the destruction of his hopes by the constant recur-

[1] Carey's Social Science, Chap. XVI. p. 34.

rence of the vine disease; while the American farmer is perpetually visited by blight, resulting from the necessity for constantly withdrawing from the soil the material required for enabling it fully to supply the ever-recurring crop of wheat. The man who has a market at his door finds both blight and insects vanish from his land, and is further enabled, from year to year, more fully to profit by the discoveries of scientific men, and by their aid to free himself from disturbing causes that have hitherto brought loss to himself or others; thus making his pursuit so nearly certain in its results as to add largely to the value of his labor and his land."

Mr. E. B. Ward, an extensive iron-master in the West, addressing the farmers of Wisconsin,[1] correctly says: —

"Protection to home industry is the business of a good Government, and its advocacy the duty of the intelligent and enlightened citizen. Not monopoly for the benefit of any one class, but Protection to that degree needed to encourage manufactures and benefit farmers, and keep our balance of trade healthy. You do not need a tariff on wheat to prevent its import from Europe, for the freight is a tariff; but a roll of English or German cloth is *a car-load of cheap foreign corn, packed in small compass;* and if you buy it you help to keep down the price of your grain to its level. Better make it here, and have your home market govern a price that shall rule higher than in Liverpool or Hamburg."

To the same effect, substantially, Adam Smith, in his "Wealth of Nations," says: —

"The increase and riches of commercial and manufacturing towns contribute to the improvement and cultivation of the countries to which they belong in three different ways: First, by affording a great and ready market for the rude produce of the country, they gave encouragement to its cultivation and further improvement. This benefit was not even confined to the countries in which they were situated, but extended more or less to all those with which they had any dealings. To all of them, they afforded a market for some

[1] At their State Fair, Madison, October 1, 1868.

part either of their rude or manufactured produce, and, consequently, gave some encouragement to the industry and improvement of all. Their own country, however, on account of its neighborhood, necessarily derived the greatest benefit from this market. Its rude produce being charged with less carriage, the traders could pay the growers a better price for it, and yet afford it as cheap to the consumers as that of more distant countries."

This view of the importance to Agriculture of the proximity of Manufactures is strikingly corroborated by Alderman Mechi,[1] one of the foremost practical farmers and land-improvers in Great Britain, who says : —

"It is precisely because British farmers have their customers — the British manufacturers — almost at their doors, and that other corn-producing countries have *not* any manufacturers, that British Agriculture is rich and thriving."

The Rev. Lyman Beecher,[2] preaching to a congregation of farmers, in the infancy of our manufactures, under the head of "The encouragement and successful prosecution of Agriculture," says : —

"I have mentioned a steady market, and a fair profit, as among the encouragements to be afforded to agriculture. No human skill can, indeed, control the elements, or regulate the seasons, so as to secure the equable fruitfulness of the earth in this or other climes, or so control the family of nations as to prevent the fluctuation of demand and price, occasioned by the interchange of peace and war. But much may be done, by a wise policy, to check these fluctuations of the market, and especially to withhold them from extremes which are destructive to national industry. No calamity is greater than a capricious market, baffling the sober, extended calculations of industry, and converting the husbandmen of a nation into a body of speculators, tempting at one time by

[1] How to Farm Profitably; or, The Sayings and Doings of Mr. Alderman Mechi. London, 1864.

[2] Thanksgiving Sermon on "The Means of National Prosperity": Litchfield, Connecticut, December 2, 1819.

high prices to adventurous purchases and lavish family expenses, and then, by the glut of the market and the fall of produce, dashing the hopes of thousands of families, and rearing upon their ruins a moneyed aristocracy. A steady market and a fair profit, for the products of the field, are among the greatest national blessings and noblest objects of national policy. Like the steady attraction of the sun, they keep up the motion of surrounding bodies, and, like his light, diffuse cheerfulness and activity through all the works of God. With these remarks in view, I am prepared to say: —

"*Secondly: That the Protection and encouragement of our manufactures* is essential to national prosperity.

"Manufacturing establishments, by the introduction of machinery and the division of labor, save time, and give us the consequences, while they save the sustenance and wages, of increased population. They afford employment also to classes of the community which would otherwise be idle or less usefully employed, call into action the diversity of talents with which God has endowed men, and lay open to the active mind of enterprise a greater choice of employment, and more powerful incitements to industry. But the vital utility of manufactures consists in their subserviency to agriculture, by affording to the husbandman a near and steady home market, and by diminishing the competition of exported produce in foreign markets, increasing the demand and the price. It gives him the advantage of two markets instead of one: the home market a steady one, and the foreign market less fluctuating and more productive than if glutted by the entire surplus product of a great agricultural nation. In the mean time, instead of quickening the industry and augmenting the resources of other nations, we stimulate and augment the capital of our own nation. . . . .

"National industry is national wealth. That policy which secures productive employment to the greatest portion of the population of a nation, consults her highest prosperity. But this can be accomplished so effectually, by no means, as by making the manufacturers of the nation the customers of the farmer, and the farmers the customers of the manufacturer. If we would be independent in reality of other nations, we

must encourage agriculture, by the steady demand of a home market, and secure within ourselves the capital which results from the manufacture of our own raw material. The foreign market is always precarious and partial, from the vicissitudes of peace and war, plenty and want, as well as from restrictions upon imports endlessly varied by nations to protect from foreign competition the industry of their own subjects. In this manner, foreign nations exert an efficient legislation over our own substance, and raise or sink the value of our property often from fifteen to fifty per cent. Such a state of uncertainty and subjection to foreign caprice no nation ought to endure. In time of war, if we depend on foreign markets, our produce is often excluded from its accustomed market, and our supply of imports, made necessary by habit, comes to us at enhanced prices, and finds us with our produce rotting upon our hands, and without the means of purchase."

President Monroe was inaugurated in 1817, and in his Inaugural Address, and in every one of his six succeeding Annual Messages, urged upon Congress the duty and policy of affording additional Protection to our struggling Manufactures. I will cite but a single passage, from his third Annual Message,[1] wherein he treats of the occasional shipment to our ports of the surplus products which accumulate in foreign workshops, and their sale here at exceptionally low prices, as injurious to our people. Here is the passage, which the disciples of Mill and Bastiat may ponder at their leisure: —

"An additional cause of the depression of these establishments may probably be found in the pecuniary embarrassments which have recently affected those countries with which our commerce has been principally prosecuted. Their manufactures, for want of a ready and profitable market at home, have been shipped by the manufacturers to the United States, and, in many instances, sold at a price below their current value at the place of manufacture. Although this practice may, from its nature, be considered temporary or contingent, it is not on that account less injurious in its effects. Uniform-

[1] December 7, 1819.

ity in the demand and price of an article is highly desirable to the domestic manufacturer. It is deemed of great importance to give encouragement to our domestic manufactures. In what manner the evils adverted to may be remedied, and how far it may be practicable in other respects to afford to them further encouragement, paying due regard to all the other great interests of the nation, is submitted to the wisdom of Congress."

I might continue these citations indefinitely; but my end is attained if I have clearly exhibited the *spirit* in which the foundations of our Protective policy were laid, the liberal and comprehensive aims of its authors and champions. They were mainly farmers, or the representatives of farming constituencies; yet they never sought to build up Agriculture on the downfall of any other producing interest. They did not place the industry wherewith they were most immediately connected in antagonism to any other; they realized that the thrift of each was identified with the well-being of all. THE AMERICAN SYSTEM — as they proudly and happily named it — was a system of enlightened, thoughtful, and generous consideration for every Home interest and industry, — a system which recognized in the prosperity and growth of Manufactures the assurance of constant, ample markets and fair prices for the products of our Agriculture, with steady employment at living rates for our Shipping and healthful activity, with liberal profits and infrequent bankruptcies, for our Commerce. If they erred, — as I am confident they did not, — they erred not through envy, or meanness, or narrow, sordid conceptions of National policy, but in obedience to the dictates of a statesmanship broad as our country's horizon. The principles they enunciated were of universal application, and their sympathies, though more immediately contemplating our own people, embraced and comprehended all human kind.

XI.

MANUFACTURES AND THEIR NEEDS.

We are accustomed to regard all Metals, Wares, and Fabrics, as Manufactures, which in one sense they are; yet it is manifest, on reflection, that these divide naturally, in the contemplation of Political Economy, into two distinct classes, — 1. That wherein nearly twice as much labor would be required to double the present aggregate product; 2. That which is subject to a different law. Thus, if we should require twice the amount of Iron we now buy or use, it would probably cost at least double what we now pay for the smaller quantity; whereas, there are many fabrics of which (like newspapers) the number or quantity furnished might be doubled at much less than double the present cost. Half a century ago, when Ploughs and other farming-implements were mainly made by hand, their fabrication probably cost more per piece, per dozen, per score, in this country than in Europe; whereas, apart from the cost of the raw material, we probably now make, by the help of steam-power and costly, complicated machinery, nearly every farm-implement, edge-tool, screw, cut-nail, &c., as cheap as they are made abroad, — some of them even cheaper, — and all of them cheaper than we possibly could if we had not a steady market and a vast demand. That articles of this class have been and are cheapened to the mass of our consumers by reason of Protection to Home Industry, is not doubtful; while it is probable that a majority of our consumers are required to pay more dollars (not days' work, nor products) per pound or per ton

for Iron, Wool, Salt, Steel, and a few other rude, bulky staples, than if, in the absence of a tariff, we mainly imported them. Wherever Machinery does little, leaving nearly all to be effected by Manual effort, and 100,000 tons of the product costs one hundred times as much as 1,000 tons, there Cheap Labor tells, and insures a lower price; but its influence is much less sensibly felt in the production of most Wares and Fabrics whereon Steam and Machinery have full play, and which are cheapened, not by low wages, but by the extensive demand, and the signal efficiency of the means whereby that demand is satisfied. It is probable, indeed, that American ingenuity and invention, applied to the production of Iron and Steel, may increase the efficiency of the labor or other force employed therein, rendering each day's work, each ton of coal, twice, or even thrice, as efficient as they now are, — and this anticipation rests upon and is justified by past achievements; but such triumphs are contingent, and not likely to be promptly realized, while the advantages of larger and steadier markets for most Wares and Fabrics are instant and palpable. The People must decide whether we are to surrender either imperilled department of our National Industry to be overwhelmed by foreign competition, or shall effectually resolve to protect and preserve them both.

Our Revolutionary fathers were frank as well as sagacious, and realized the wisdom of saying exactly what you mean. Hence the preamble to the very first Tariff which passed Congress [1] under the Federal Constitution declares that such Tariff was required "for the support of Government, for the discharge of the debts of the United States, and *for the encouragement and protection of domestic manufactures.*" The duties thereby imposed were generally quite low; but there was no equivocation

[1] Approved by President Washington, July 4, 1789.

or concealment as to the objects for which they were levied.

But why protect especially *Manufactures?*

I answer, For the same reason that we fortify our chief harbors and our frontier posts rather than the mountains and prairies in the heart of our country. We defend the National Industry, like the National territory, at the points most exposed to assault, or where an enemy could do us greatest harm. The bulk and weight of most agricultural staples forbid their transportation to remote markets except at ruinous cost. The abundance and cheapness of our arable lands, with the intelligence and efficiency of our labor, and the excellence of our farming machinery and implements, secure signal advantages to our grain-growers, and render them impregnable to direct European competition. If Europe would give us all the Indian Corn and Hay we want or would consume, we could not transport them to our inland consumers so as to afford them as cheaply as they are now supplied. The transportation of most Vegetables and Edible Roots, — Potatoes, Turnips, Carrots, Cabbages, &c., — is rendered so expensive by their bulk, that few of them would be brought hither from Europe for sale under any but the most extraordinary circumstances. Potatoes in moderate quantities reach us from Bermuda and from Nova Scotia; the Canadas proffer us cheap Grain and Timber; while we still send to the farthest East for Tea, because that article embodies larger value in a given bulk than almost any other product of the soil; but I am confident that we should have commenced its production years ago, and that we shall soon ascertain that we could long have grown it cheaper than we have imported it. So with Raw Silk, Willow (for baskets, &c.), Sugar, and some other unmanufactured or easily manufactured products of the soil, with which we could have supplied ourselves

from domestic sources cheaper (in labor, if not in money) than we have imported them. We have persisted in buying abroad from habit, lack of consideration, and because the establishment or naturalization of a new branch of industry always costs something at the outset, while Trade glides easily in the grooves worn smooth by custom and oiled by successive realizations of profit. Even Cotton was made at a loss by our people until Whitney's Gin — which would never have been invented had not the culture been previously naturalized on our soil — reduced at once the cost of production by fifty to seventy-five per cent.

We have yet some Agricultural staples to root firmly in our soil or extend over a far greater area thereof; yet the general truth, so earnestly and frequently proclaimed by the fathers, abides, — that our Agriculture is mainly to be benefited and strengthened by bringing ample and steady markets nearer and nearer to the doors of our farmers. Give them purchasers at hand for Vegetables, Edible Roots, Fruits, &c., and they will cultivate their land better, exhaust it less, and realize far greater returns and profits per acre, than they could while, depending on remote markets, they were compelled to grow crop after crop of Grain. They will now reclaim and cultivate the rich bottom lands, which, being saturated and sodden with stagnant water, have hitherto been neglected as worthless or intractable;[1] and they will realize more from an acre of vegetables or small fruits than formerly from ten acres of grain; and thus, mainly, will Protection benefit our farmers, — as was originally anticipated and sought.

[1] In the old County of Westchester, N. Y., which has been farmed for two hundred to two hundred and fifty years, some thousands of acres of these richest lands are just beginning to be improved and cultivated; not one-fourth of them have yet felt the point of a plough.

"But why do Manufactures *need* Protection?" is asked to-day, as though it were a novel question. I answer: —

I. Because of the relative dearness of our Labor. A ton of good Bar Iron we may roughly estimate as the embodiment of thirty days' faithful and in part skilful human labor. In Belgium or France, this labor costs twenty-five dollars, and, were Ore and Coal there abundant and accessible, would cost still less; in Great Britain, Ore and Coal are far more abundant and cheaper, while Labor is paid rather higher, so that the Iron costs a little less; in this country, considerably more, mainly because Labor is dearer with us. We thus have our choice, — between importing most of our Iron or protecting the home production. Now, I never made any Iron, nor had any other than a public, general interest in making any, while I have bought and used many thousands of dollars' worth, in the shape of power-presses, engines, boilers, building-plates, &c. It is my interest, you say, to have cheap Iron. Certainly: but I buy Iron, not (ultimately and really) with money, but with the product of my labor, — that is, with newspapers; and I can better afford to pay seventy dollars per ton for Iron made by men who can and do buy American newspapers than take it for fifty dollars of those who rarely see and never buy one of my products. The *money price* of the American Iron may be higher, but its *real cost* to me is less than that of the British Iron. And my case is that of the great body of American farmers and other producers of exchangeable wealth. We have somewhat cheapened Iron by American inventions and improved processes; we shall doubtless cheapen it still further if we cherish and uphold its production among us; yet I apprehend that this (unlike several other branches of manufacture) is one of the

staples on which Cheap Labor tells so directly and powerfully that we can never make it for so few dollars as it may be produced for somewhere else. Still, it seems to me plain that our true interest as a people requires that we henceforth produce it far more extensively than we have ever yet done.

II. Because, in a subordinate degree, of the relative scarcity and dearness of Capital among us. We are still a young people, and lack the vast accumulations of Capital that Great Britain and France can boast. We have few or no families that have been engaged in manufacturing for a century or more, and have amassed wealth therein. In order to obtain the large capital required to erect and stock a great manufactory, we have to form joint-stock companies, and drum for subscriptions on every side. Those who invest want good dividends, regarding the business as hazardous; while our long-established and well-known foreign rivals can borrow at five per cent. This gives them a decided advantage, which they are not slow to improve.

III. They have the advantage of us, moreover, in an abundance of artisans of eminent experience and skill. We have rapidly gained on them since the enactment of the Tariff of 1861; still, we have much to learn, — or rather, we need to teach and perfect a good many of our people in arts wherein Europe has yet the advantage of us.

IV. Our Railroad system, though extensive and rapidly extending, is still far less perfect, as a handmaid to Manufactures, than the British, which connects almost every ore-bed with almost every coal-mine on the island. It was but a few years since, that the great Sterling iron-mines of our State and New Jersey were connected by rail with tide-water in the Hudson; the first railroad from a Champlain ore-bed to the Lake was opened this

Summer; the connection of our Copake (Columbia County) iron-mines with the Hudson by rail is not yet complete. Only last Winter, I saw a long string of teams drawing on sleds Iron Ore from the beds in Amenia (Dutchess County) to the furnaces in Connecticut, six or eight miles away. In England, a railroad would have been doing the work at less than half the cost at least ten years ago. In Missouri, Illinois, and even in Indiana, large sums are being this year expended to bring together Ore, Coal, and Limestone, far cheaper than hitherto. At Pittsburg, I saw Steel extensively made, eighteen months since, from ores freighted thither from Lake Champlain, New Jersey, and Lake Superior respectively, — none of them brought less than three hundred, and most of them over five hundred miles. We shall shorten and cheapen these routes, or we shall find the requisite ores at points much nearer each other. Every year of successful production wears smoother the ways over which our raw materials glide to meet each other. Give us time!

V. As to Textile Fabrics, France has a great advantage over us as the dictator of fashions, the arbiter of taste; while Great Britain has still greater in the fact that her goods obtained possession of the world's markets during the great wars which followed the French Revolution, when her flag had nearly swept the seas, and her forces held at least temporary possession of nearly all the isles of the main. To this day, the invisible threads of Commerce centre at London: if Calicoes or De Laines, Flannels or Hosiery, are wanted in Australia or China, Venezuela or Peru, the dealer looks to England as the natural source of supply, and is but dimly conscious that there is any other. Facility of quick distribution over a vast area is one of the vital elements of cheap and profitable production for all fancy fabrics in

our day, when a wide and eager demand is indispensable to cheap and profitable production.

VI. Foreign fabrics have great advantages over ours, even in our own markets, because of the popular presumption that their colors are more durable or their styles more attractive. We have no such pride in wearing our own fabrics as has been patriotically and beneficently evinced by other people. Too many of our merchants and merchant tailors habitually disparage American fabrics and exalt those of our European rivals, which they sell at higher prices and larger profits because they *are* foreign. Some jobbers, having sold a foreign fabric at fifty cents per yard till it has lost the gloss of novelty, will order an American imitation of it at a far lower price; and, when it is seen *to be* an imitation, will say, "Of course, it is inferior in style and texture: what do you expect of *American* fabrics?" — when in fact it is exactly what they ordered and paid for.

VII. The clews of trade, right here in New York, are in foreign hands and wielded in subordination to foreign interests. Let me give an example: —

Dr. Crosby, of New-Haven, Conn., recently invented most ingenious machinery for the manufacture of Fish-Hooks, by which they are automatically fashioned from a coil of wire nearly as fast as cut-nails are made, — are bent, pointed, barbed, flattened at the head, &c., more perfectly than could be done by manipulation. Every size, from pin to cod, is made with equal facility and perfection. Having finished a quantity, he sent a sample consignment of them down to a New York house which led the trade; but they were rejected, as not of standard excellence. Again he sent a consignment, with a similar result. A third time he tried, accompanying his wares, and expressing a hope that these would answer, — but no; they were not up to the mark. "Why, gentlemen,"

he remonstrated, "these ought to suit you; *for they are British hooks, bought from your own store, and packed in my boxes to test you.*" Of course, that did not signify; the jobbers were resolved to keep the market for their British friends; and they had the power.

VIII. Our American manufacturers have not, as a class, made the proper and requisite efforts to cause the quality and cheapness of their Wares and Fabrics to be generally known. They have confined their efforts to the Trade, — that is, the jobbers of our great cities, — when they should have appealed directly and earnestly to the People. If consumers generally knew how much De Laines (for example) have been cheapened since we began to make them here, — how much this home manufacture has done to cheapen them, — that knowledge would exert a most salutary influence. So of Merrimac Prints, and other of our standard fabrics. No people who wholly import their manufactures are or can be so cheaply and amply supplied with them as ours are at this moment. "Dear-bought and far-fetched" is a trite old saw, drawn from the heart of universal human experience. I am assured that Bessemer Steel Rails (British) were selling here at $150 per ton till the first American furnace commenced turning them out, when they dropped suddenly to $110 per ton.

The history of the Watch-manufacture in this country is full of instruction and encouragement. Though we had made our own Clocks, and some to sell, for a half-century, we had depended entirely on Europe for our Watches, down nearly or quite to 1860, when the manufactory at Waltham, Mass., after one or two failures, fell into the hands of its present managers. They soon appealed directly to the masses for judgment and patronage; sold every Watch distinctly and proudly as American, and challenged the world to surpass their products

either in excellence or cheapness; and, by the disbursement of many thousands per annum in advertising, as well as by making a good article and selling it cheap, gradually imprinted on the public mind a conviction of the truth of their claims. Their Watches sold more and more extensively month after month, as they were enabled, by extending their works, perfecting their processes, and increasing the number of their workmen, to improve the production; until we are this day making most of the Watches we require,—making more than we ever imported in the years happily past. For not only does the original Watch-manufactory at Waltham continue to prosper, and enlarge its borders, but several rivals have recently sprung into existence in different parts of our country, under the stimulus afforded by the emphatic success of the pioneer enterprise. I confidently predict that the day is not distant when we shall export Watches as regularly and as extensively as we have long exported Clocks, — sending them even to China, — and I believe this triumph is due not more to the ability evinced at Waltham to make good Watches cheaply than to the judicious energy and enterprise exhibited by Messrs. Robbins & Appleton in making their excellence universally known. What has been done by them is important mainly as showing what may, to like profit, National as well as personal, be done in many other departments of manufacturing industry.

IX. The dishonest practice of labelling or stamping American manufactures as though of foreign origin has exerted a most baleful influence over our industrial progress. All know that the fluid sold as Champagne in this country is mainly a home-made concoction of cider and drugs; and, whether this be or be not more hurtful than the French liquor it personates, it is reprehensible as a counterfeit and a fraud. A leading American pro-

ducer of pure wines from grapes of his own growing recently assured me that he had been shown through a great establishment in this city, whence thousands of bottles of wines of various kinds and brands were sent forth daily, yet into which no drop of grape-juice ever entered. I was once sitting with some two hundred others, at a public dinner-table, when my left-hand neighbor (a total stranger), seeing that I drank no wine, abruptly remarked: "You do not *know* that this Champagne was not imported from France." I now looked at his bottle for the first time, and replied: "No; I can say nothing as to the origin of the liquor, for I know nothing; but that inscription on the cork, 'Champagne au Rheims,' is made by Yankee type, — I could swear to it in Egypt, — no Frenchman ever cut type like that." I am told, but do not credit, that the latest achievement in this department of home manufacture is the production of Champagne from *Petroleum*, and that the new fabric has large currency and popularity in those metropolitan haunts whither rural greenhorns eagerly flock, under cover of darkness, to "see life." I trust that a moderate quantity of the beverage suffices to assuage their thirst.

This whole business of fabricating on our own soil imitations of foreign products, to be palmed off as genuine, is not merely dishonest and fearfully demoralizing; it tends to discredit and degrade American manufactures generally. A counterfeit can hardly fail to be inferior in serviceable qualities to the thing counterfeited; he who will affix a fraudulent label or trade-mark to his product, in the expectation that he may thereby sell it more readily or for a higher price, will rarely hesitate to cheat in the substance as well as the show; while the talent he devotes to making his product pass for that which it is not will inevitably be subtracted from that which he

should apply to perfecting that product. And, besides, the true workman has an honest pride in his work; he wishes its excellence to be seen and honored as his: make him conceal his name behind a false label, and he is no longer impelled to do his best. He is tempted to rest content with perfection in the label or trade-mark, and neglect the fabric or product it knavishly commends. The consuming public, thus defrauded, is led to associate conceptions of inferiority and dishonesty with that of domestic production, — to consider "home-made" and "worthless" all but synonymous terms. Vigilant search for, public exposure and condign punishment of, every instance wherein a home-made article is ticketed or in any way sought to be palmed off as of foreign origin, are demanded by the interests alike of public morality, justice to those whose trade-mark is thus counterfeited, protection to consumers, and the prosperity, progress, and good name, of legitimate American manufactures.

I have thus glanced at some of the more formidable impediments to the growth, stability, and complete success, of American manufacturing industry. Some of them are incident to its comparative infancy, — there being scarcely a market, our own included, where European fabrics have not preceded and forestalled ours; and all must realize that it is far less difficult to retain a market than to wrest it from its established possessors. Others are the fruits of mistakes and shortcomings on the part of our manufacturers; and these they must be admonished to correct, or abide the consequences. But there remain a large and important class deeply grounded in the relative dearness of American Labor; and these I hold it the Nation's interest and duty to counteract and overcome, by the imposition or retention of such rates of duty on the foreign rivals of our products as

will enable our producers, with reasonable skill and efficiency on their part, to retain the control of our own markets, and not be driven therefrom by a foreign competition rendered overwhelming by the far cheaper Labor and more abundant as well as cheaper Capital of Europe. Suppose the markets of the world divisible into one hundred equal parts, seventy-five of which are now possessed exclusively by the manufacturers of Europe, while but twenty-five are shared by them with those of this country, I hold it neither fair, just, nor beneficent, that our artisans and artificers should compete for these twenty-five on the same terms with those who already exclusively hold by preëmption the larger number. To secure, by discriminating imposts, our own markets to our own fabricants seems to me just to them, beneficent to our country and all her people, and conducive to the steady progress and diffusion of industrial art throughout the world.

XII.

THE LABORING CLASS — ITS RIGHTS, INTERESTS, DUTIES, AND NEEDS.

If there be those who would array Labor against Capital, I am not of them, nor with them. If there be those who regard the interests of Labor and of Capital as naturally or properly antagonistic, I do not agree with them. In using the term "Laboring Class" or "Working Men," I conform to a usage which has the recommendation of convenience, and hardly another. In my view, there should be none other than laborers, save the infantile, the disabled, and the dead; and there are not nearly so many non-laborers as is vulgarly supposed. The rum-seller is a worker, though to no good end; even the gambler evinces industry, though to very bad purpose. If I had the ordering of human affairs, I would have every one an apprentice of some sort in youth, a worker for wages (or something equivalent thereto) in early manhood (or womanhood), and every one his or her own employer at a later stage; so that the class of hired workers should be constantly receiving recruits on one side and dismissing skilled, experienced persons to enter upon graver responsibilities on the other. I would have every journeyman realize that he will soon be an employer, every employer remember that he was once a journeyman, as his son (if son he have) soon will be; and I believe the influence of these contemplations would be salutary on all alike. I do not like to hear a man boast that he has been a hireling these twenty or thirty years, and expects

to remain such till death; for, though it be true that no man should be ashamed of a humble position, I qualify the statement by the proviso that he has had no fair opportunity to rise above it. A true man will much prefer to shoulder a hod or sweep streets rather than eat the bread of idleness and dependence; but, either our political institutions are mistakes, or a hale, two-handed person, who has not been pulled down by unavoidable misfortune, should be ashamed that, having had twenty years' control of his own time and faculties, he still finds hod-carrying or street-sweeping the best thing he is asked or enabled to do. If I had had a fair chance to do for myself for even twenty years, and could now find no better employment than the rudest and coarsest day-labor, I should accept the situation, but not be inclined to brag of it.

Yet Political Economy recognizes and deals with facts as they are; and one most important fact is the existence of a very large class in this and a still larger in most other countries, who are distinguished (however inaccurately) as the Laboring Class, in that they live by selling their labor for wages, instead of applying it to production on their own account. True, the lawyer, the doctor, and even the clergyman, may be said to work for wages; but these are not included in the popular conception of the Laboring Class, and I take things as I find them.

The Laboring Class, living from hand to mouth, on the earnings or recompense of their daily efforts, want steady work and good wages, — the wages anyhow; the work for the sake of the wages. They have a keen eye to their generic social or class interest; wherein they evince their kinship to the entire race sprung from Adam. They do not, as a class, believe it the chief end of man to render Shirtings or Sugar inordinately cheap; they

believe it more important that the maker shall be well fed, well clad, well lodged, well developed, and well taught. Every spontaneous, instinctive movement of this class looks to fair payment for honest, useful effort first; cheapness of product — if such cheapness be compatible with the primary requisite — afterward. And, while narrow views, selfish greed, and short-sighted rapacity, are manifest in some of the organized movements of this as of other classes, I believe the general result of its organizations and its efforts has been conducive to the permanent moral elevation and physical well-being of the race.

The Laboring Class, previously voiceless and powerless, has risen to political importance by reason of the American and French Revolutions and their legitimate consequences, and now finds itself appealed to by rival parties, pretensions, policies, philosophies, to arbitrate between them, with special reference to its own class interest. The Economic controversy, with others, thus appeals, through the rival disputants, to this rising power, as follows: —

"Laborers!" say in substance the Free-Traders, "we propose to benefit you by reducing the cost of everything everywhere to the lowest sum for which it can possibly be afforded. This involves the reduction in general of your money wages; but the lesser sum will buy more than the larger which it supersedes, because of the resulting cheapness of whatever you may buy or need. It involves further your deprivation, in some cases, of the employment you now possess and live by; but its natural effect being to increase consumption by cheapening cost, it must, in its general operation, create more work than it supersedes; so that you will, on the whole, have more work than now, while your wages, even if reduced in nominal amount, will buy more than those you

at present receive will now do: hence, you will be gainers on both sides: so regard your own interest, and vote with us."

That it may be certainly known that I do not misapprehend or misstate the argument I here condense, I cite the words of J. R. McCulloch,[1] one of the most renowned doctors of the Free Trade school, who says: —

"Admitting, however, that the total abolition of the prohibitive system might force a few thousand workmen to abandon their present occupations, it is material to observe that *equivalent* new ones would in consequence be opened to receive them; and that the *total aggregate demand for their services would not in any degree be diminished.* Suppose that, under a system of Free Trade, we imported a part of the silks and linens we now manufacture at home, it is quite clear, inasmuch as neither the French nor Germans would send us their commodities gratis, that we should have to give them an equal amount of British commodities in exchange; so that such of our artificers as had been engaged in the silk and linen manufactures, and were thrown out of them, would in future obtain employment in the production of the articles that must be exported as equivalents to the foreigner. We may, by giving additional freedom to commerce, change the species of labor in demand, but we *cannot lessen its quantity.*"

This view, in substance, is taken by all the Free Trade economists who consider the case of the Laboring Class at all. Its radical vice, in my conception, is its confounding a man with a mere machine, like a steam-engine or spinning-jenny, which does with equal and indifferent facility whatever work is adapted to its capacities, and is simply set aside when no longer wanted, to await a fresh demand for its services, neither consuming nor suffering in the interim. But a man — even the rudest and humblest — is quite other and more than a machine. He has daily wants, needs, that cannot be postponed nor

[1] Principles of Political Economy, Chap. V. p. 155.

ignored; he is deteriorated by idleness, as a mere machine is not; he has often a wife and children to be subsisted, and a home to be broken up and abandoned when the failure of employment compels a change of vocation. The coolness with which McCulloch and his school speak of depriving a man of the work which he has devoted years to mastering and has now at his fingers' ends, and setting him adrift, to pick up something else whereof he knows nothing, and in which he must naturally prove clumsy and inefficient, proves them singularly ill informed in the premises, or callous to the moans of wide-spread human misery.

But I dispute the assumption that the multitudes thus thrown out of employment by the prostration and ruin of one pursuit or department of industry would, as a necessary consequence, even "in future," as McCulloch vaguely asserts, find work in the new or greatly expanded pursuits, with whose products payment must be made for the imported fabrics whereby that domestic pursuit or vocation was crushed out. And, on this point, I cite, in refutation of McCulloch's theory, the testimony of an equally thorough Free-Trader, the late Dr. Bowring, who, in setting before Parliament the misery of the hand-loom weavers of India, whose industry had been crushed out by the spinning-jennies and power-looms of Great Britain, says: —

"I hold, Sir, in my hand the correspondence which has taken place between the Governor-General of India and the East India Company on the subject of the Dacca hand-loom weavers. It is a melancholy story of misery, so far as they are concerned, and as striking an evidence of the wonderful progress of manufacturing industry in this country. Some years ago, the East India Company annually received of the produce of the looms of India to the amount of from six to eight millions of pieces of cotton goods. The demand gradually fell to somewhat more than one million, and has now

nearly ceased altogether. In 1800, the United States took from India nearly eight hundred thousand pieces of cottons; in 1830, not four thousand. In 1800, one million of pieces were shipped to Portugal; in 1830, only twenty thousand. Terrible are the accounts of the wretchedness of the poor India weavers, reduced to absolute starvation. And what was the sole cause? The presence of the cheaper English manufacture, — the production by the power-loom of the article which these unhappy Hindoos had been used for ages to make by their unimproved and hand-directed shuttles. Sir, it was impossible that they should go on weaving what no one would wear or buy. Numbers of them died of hunger; the remainder were, for the most part, transferred to other occupations, principally agricultural. Not to have changed their trade was inevitable starvation. And at this moment, Sir, that Dacca district is supplied with yarn and cotton cloth from the power-looms of England. The language of the Governor-General is: 'European skill and machinery have superseded the produce of India. The Court declare that they are at last obliged to abandon the only remaining portion of the trade in cotton manufacture, in both Bengal and Madras, because, through the intervention of power-looms, the British goods have a decided advantage in quality and price. Cotton piece-goods, for so many ages the staple manufacture of India, seem thus forever lost. The Dacca muslins, celebrated over the whole world for their beauty and fineness, are also annihilated from the same cause. And the present suffering to numerous classes in India is scarcely to be paralleled in the history of commerce.'"

Here you see McCulloch's conditions of recompense in full activity: the British power-loom fabrics unquestionably cheaper than those they supplanted; the lapse of years to give time for Labor to adapt itself to the new conditions; while a patient, docile, diligent people, never striking, nor rioting, nor rebelling, ask only opportunity of earning somehow, by some kind of industry, the few cents per day that insure the satisfaction of their humble wants. What do they experience? Death by hun-

ger, "numbers" of them, though willing to work at anything that will give them daily bread. And even the poor satisfaction of suffering for the good of others is denied them; for the calamity is by no means confined to the class directly affected, the hand-loom weavers, but "the present suffering, to *numerous classes* in India, is scarcely to be paralleled in the history of commerce."

Is not this demonstration? Where was a dictum ever brought to the test of practical experiment if not here?

II. Manufactures requiring greater intelligence, rarer skill, more delicate manipulation, than Agriculture, it is inevitable that the recompense of Labor therein should be proportionally higher. Even though an equality should be maintained in the lowest grades of service, the comparative value of skill, experience, ability, is far greater in Manufactures, and must be paid for accordingly. Suppose one hundred young men, just of age, engage to-day in Agriculture, and a like number in Manufactures, at the rate of one dollar each per day, and all persist with energy, diligence, sobriety, and average ability, for the next ten years. You will now find that a large portion of the artisans have risen to responsible positions, yielding them from $ 500 to $ 2,500 each per annum; while the farm-hands, though also paid according to their increased efficiency, will not be earning nor receiving so much. I know no civilized country wherein the average wages of mechanics and manufacturers is not considerably higher than that of agricultural laborers; and I insist that my countrymen should have their fair proportion of the better paid work.

That Labor is a commodity, like Cheese or Chocolate, and, like them, must be sold for what it will fetch, if sold at all, is constantly insisted on by the economists I combat, as though it were an axiom of indisputable soundness and pertinence; but I do not thus regard it. That,

within narrow limits, and for certain restricted uses, it affirms a fact, I readily admit. The man who has labor to sell, and little else, while he needs food, clothing, shelter, and other comforts, which he cannot seasonably create by his own direct efforts, must sell that labor for the most it will bring, even though that should be far less than he considers it worth. But, in the contemplation of a generous, far-seeing statesmanship, the laborer is not a mere implement or machine, but a citizen, a pillar of the State, the present or prospective head of a family, the parent of future citizens and voters. A grave public interest demands that the recompense of his daily toil should be sufficient not merely to keep the breath of life in his body and to maintain his capacity to work, but that it should enable him, with diligence and frugality, to keep his children about him during the years of their immaturity, clothe them decently, and educate them for usefulness and for the intelligent and conscientious discharge of the duties of citizens and electors. So much, the State needs; so much, it should, for its own sake, endeavor to secure. If we could undersell the world in Iron or Cloth by means which kept their producers ignorant, ill fed, socially depressed, and morally degraded, we could not afford to accept a commercial or industrial advantage on such terms. Cheap Shoes and Hats are desirable; but not at the cost of generations of shivering, famishing, illiterate shoemakers and hatters.

Hence, I regard with apprehension the problem now challenging our attention of Chinese and Japanese Labor. That I profoundly dissent from the line of argument by which its prohibition is usually upheld, need hardly be stated. But, if millions of "coolies" are to be thrust upon us merely because their labor is cheap, — are to remain among us uneducated, unenfranchised, unassimilated foreigners and strangers, to whom our responsibility

ends with the payment of their stipulated wages, — then I hold that their cheap labor will prove in the end dearer than any other, because obtained by the sacrifice of those vital principles on which this republic was founded, and lacking which it must cease to be a beacon and a blessing to mankind.

III. Manufactures, by proffering a diversity of employments, and by bringing markets to the doors of the farmers, increase the average recompense of agricultural labor. This proposition, intrinsically probable, is sustained by myriads of facts.

In the years of my earliest distinct recollections (1816 – 20), there were a very few cotton-mills in Massachusetts and Rhode Island, but not enough to affect the general recompense of labor, and none at all within a day's ride of my home in southern New Hampshire. What is now Lowell was then a sterile, partially wooded tract, where a few fishermen had their cabins and dried their nets; there was one store, but no factory, where now is Nashua, N. H.; while a rickety, old, lop-sided bridge over the Merrimac, closely approached by a pitch-pine forest, occupied the site of what is now the manufacturing city of Manchester, N. H. Lawrence, Mass., was not even conceived till at least twenty years afterward; but Lowell, the pioneer, was laid out soon after 1820. In 1818, I knew an efficient, faithful, capable man to hire out to work through the haying and harvest season in Bedford, N. H., for half a bushel of corn per day; lodging in his own house, but boarding with his employer. An American young woman, vigorous, capable, and respected, did housework for that year for fifty cents per week and her board; whereas just such labor would now command there three dollars per week and board, from twenty eager competitors. I am confident that, though British goods were then sold remarkably cheap, most fabrics required for female apparel were dearer then than they now are.

In Vermont, for the five years 1821 – 25 inclusive, the price of a man's labor, except during the Summer harvest, was regularly fifty cents per day, and even that very seldom payable in money. Food was then much cheaper than now, so that the fifty cents bought nearly as much bread and meat as the price of a day's work now does; but of cloth, sugar, and store-goods generally, it would hardly buy half so much.

I state these facts, not to prove labor ill paid then, or too well paid now, but to show that the greater diversification of our industry secured by Protection has decidedly improved the average condition of our Laboring Class, whose wages will be found lowest wherever agriculture is most exclusively pursued. If the Cotton grown in Georgia or Alabama were henceforth to be spun and woven on her soil, it would not be possible to resist a general and very decided enhancement of the average recompense of her labor. The manufacturers would be no more generous than the farmers or planters now are: they would pay higher wages because they must; and the farmers, with more remunerative markets brought to their doors, could not help doing likewise.

IV. All over the civilized world, Hired Labor, finding its food grow dearer by reason of the recent deluge of gold from California and Australia, is struggling to achieve or to maintain a corresponding augmentation of wages. This movement is naturally resisted by those who must pay the wages; and their most potent argument runs thus: "I cannot pay four shillings per day for labor in England, when I must sell my product in free competition with that of French rivals who pay but three, and Belgian who pay but two shillings." Thus the reduction or abrogation of Duties on Imports is made to justify resistance to reasonable alike with unreasonable demands for an increase of wages; every em-

ployer looking to the lowest sum anywhere paid as the standard which he cannot afford to exceed, and making a reduction anywhere his ground for demanding a corresponding reduction in his concern. The helplessness of the Laboring Class in one country compelling them to submit to a reduction in deference to the master's plea, "I cannot else retain this or that foreign market," that reduction is made the excuse for a corresponding demand in another country, and that in another, till the vicious circle is complete. Free Trade in effect sets the Laboring Class of different countries to bidding against and underworking each other for each other's markets, as well as for those of other countries wherein they meet as competitors on equal terms. Contemplating this ruinous struggle, Carlyle[1] forcibly, manfully says: —

"The Continental people, it would seem, are importing our machinery, beginning to spin cotton, and manufacture for themselves, to cut us out of this market, and then out of that. Sad news, indeed; but irremediable: by no means the saddest news. The saddest news is that we should find our National Existence, as I sometimes hear it said, depend on selling manufactured cotton at a farthing an ell cheaper than any other People. A most narrow stand for a great nation to base itself on! A stand which, with all the Corn-Law Abrogations conceivable, I do not think will be capable of enduring."

That the existence of a nation should never be permitted to depend on its ability to sell Sheeting or Calico a farthing an ell cheaper than other nations can make it, seems as clear to me as to Carlyle; but I do not rest there. I insist that a nation whose resources are fully developed, and its industry brought to the highest state of efficiency, ought to be in better business than that of underworking and underselling the comparatively im-

[1] Past and Present.

mature, feeble, struggling industries of younger and less civilized peoples; that it should rather seek to teach, to encourage, and to develop the arts of peace among those peoples, than by ruthless and unequal competition to strike them down and crush them out. I cannot regard the antagonist theory and policy commended by the Free-Traders as in full accord with the requirements of the Golden Rule.

In my conception, the true and ultimate relation of the Laboring Class of one country to that of another — of all others — is not that of underworking rivals, seeking to take the bread from the mouths of each other's children, but that of generous, fraternal coöperators for the attainment of the highest good for each and all. If it were practicable, at my discretion, through invention, machinery, the aggregation of capital, talent, experience, and skill, for the artisans of my country to undersell and run out the artisans of all other countries, so that all manufactures should be gradually transferred to and thenceforth prosecuted only on our soil, I would not speak the word that would insure such transfer. I believe that the true interest of all peoples requires the successful, enduring prosecution of the various useful arts by each; so that the genius, talent, capacity, of the entire race shall be constantly incited to invent machinery and improve processes which shall enure to the substantial and permanent benefit of the entire family of Man.

XIII.

THE INTEREST OF CONSUMERS — IRON.

In my contemplation of our general theme, I do not, with many others, divide the community into two diverse, sharply discriminated classes, antagonized as *Producers* and *Consumers* respectively. In my conception, all who are of any account are both Producers and Consumers, with substantially identical interests, suffering by each other's misfortunes and prospering through each other's prosperity. I was once a laborer for wages; I now pay wages rather than receive them; yet I cannot realize that it is less my interest now than it formerly was that a fair day's work should command a fair day's wages. For, since I live by making newspapers, for which a wide, capacious market is indispensable, I know that a reduction of the great body of our people to a pecuniary condition akin to that of the coolies of eastern Asia, or even that of the peasantry of Europe, would preclude their buying, to any considerable extent, newspapers, or books, or any literary wares whatever; so that my loss, by the extensive cheapening of Hired Labor, would decidedly overbalance my gain. I can better afford to pay fair, living wages for the labor I need than to obtain it far cheaper at the cost of restricting the market for my products to the comparatively small class who are able to live on their inherited or accumulated wealth. And my case is substantially that of all who live by selling the products of their industry to satisfy the wants of others, and thus to minister to their own. It may seem, indeed, that those who grow food, or who

produce any other of the first necessaries of life, are exempt from the operation of this law ; but in fact they are not. Their market is enlarged, the prices they receive are signally enhanced, by the diversion of multitudes, who would naturally have been their competitors, into pursuits which render them lifelong customers instead. The inevitable enhancement of the price commanded by farms in a township or county, consequent upon the establishment and vigorous prosecution of manufactures or mining therein, is a familiar exemplification of this law. A new industry will often give value even to boulders or rugged ledges of granite, which had previously been not merely worthless, but a positive drawback, subtracting from the value of the lands on which they were found. Thus, a forest, which the owner was slowly, patiently destroying by axe and fire, at a cost of twenty to thirty dollars per acre, has been suddenly transformed into a considerable property, by the erection of a furnace or factory, the construction of a railroad, in its vicinity. Thus, many substances, once deemed worthless, have become valuable through the mere progress of industry, knowledge, civilization ; as many more, doubtless, will do as mankind grows wiser. Thus, mines of Coal and of Minerals, over which savages have roamed heedlessly for centuries, are discovered and worked by their civilized successors, proving almost inexhaustible sources of comfort, power, and wealth.

There be those who say : " Let us continue to draw our Metals, as well as our Wares and Fabrics, mainly from Europe, because Labor and Capital are so cheap there that the products of British mines can be laid as rails across our richest beds of Coal and Iron Ore far cheaper than we can make thence the rails we need." It seems to me that the cheapness here asserted is fallacious, mistaken, illusory. Admit that fewer *dollars* will buy from

Great Britain the rails required, they will cost, in my view, far more of our *Labor* than would similar rails made from our own ore on our own soil. For every ton of rails made here tends to increase the capacity, skill, experience, whereby our people are enabled to make better and cheaper rails through all future time, and to grade the ways over which our diverse materials approach and mingle with each other. The cheapness of British Iron is in good part the result of British skill and knowledge evinced in the commingling of diverse ores so as to produce a metal of far greater value than could have been obtained from either of those ores smelted by itself. Great Britain has for years been so thoroughly gridironed and checkered by railroads and canals that such commingling is far more easily and cheaply effected on her soil than elsewhere; but we are profiting by her example and following swiftly in her footsteps. It is but a few years since the vast deposits of choice Iron Ore on the eastern shore of Lake Superior were reached by a railroad; and already they are extensively drawn upon to produce Iron not only in Michigan (near Detroit), but in Illinois (at Chicago), and for steel-making at Pittsburg, until at length, Indiana — which boasts the possession of 7,500 square miles of better Coal for Iron-making than is found elsewhere — has been prompted to erect great furnaces near Greencastle, at Indianapolis, and perhaps in other localities, where her numerous railroads may cheaply concentrate the Coal of her southwestern counties and the Ore of Lake Superior, beside the Limestone which extensively underlies her soil, and thus produce (she calculates) a very superior Pig Iron at a very moderate cost, though the Ore has travelled hundreds of miles to meet her Coal rather more than half-way. So St. Louis is making considerable Pig Iron; drawing by rail to herself the Coal

of southern Illinois from the southeast, to smelt the Ore of the Iron Mountain from the southwest; and she expects to make much more, and to better advantage, when she shall have completed her bridge over the Mississippi, so that the Coal may be run by rail from the mines directly to her furnaces. Thus, on every side we are perfecting the conditions whereby Iron can be cheapened, as we could not perfect them in the absence of a market for American Iron. The railroad whereby Ore is brought from Lake Superior would not have been built in the absence of a demand for that Ore; and so with that which is destined to bring the Iron Mountain piecemeal to St. Louis. We shall thus erelong have cheaper American Iron without reducing our makers to European wages, if we have but the foresight and patience to seek it aright, and not repeat the blunder of 1846, when a Protective Tariff was broken down under which we were supplying ourselves with American Bar at less than $60 per ton, while, after a few years of *Revenue* Tariff, we were buying British bars at $80 per ton.[1]

Yet I would not induce a belief that Iron will ever be made in this country for so few dollars per ton in the average as will buy it from Europe while the disparity in the ordinary wages of labor shall remain so great as at present. A ton of Iron embodies so many days' labor in quarrying or digging, smelting, puddling, &c., &c., and very little else than Labor directly applied to its production; and all know that this labor is very much cheaper in Europe than here. Take all the work done in producing a thousand tons of Iron in this country, and its average cost will fall little short of two dollars in gold for each day's faithful labor; while Mr. Abram S. Hewitt[2] gives statis-

[1] Address of John L. Hayes to the National Association of Knit Goods' Manufacturers, New York, May 1, 1867.

[2] U. S. Commissioner to the last Universal Exposition of the Products of the World's Industry, at Paris, 1867.

tics of the wages of Labor employed in Iron-making in Europe, showing that in England its average cost ranges from 3s. 6d. to 4s., or 87½ cents to $1 (gold) per day: in France at about 70 cents, and in Belgium at less than 60 cents per day. But England has the advantage of her Continental rivals in the greater abundance and accessibility of her Ores and Coal; so that she makes Iron, in the main, cheaper than they can; the average cost of merchant bars being stated by Mr. Hewitt as follows: —

In England,	£6 10s.	or $32½ (gold) per ton.
In Belgium,	£7	or $35 (gold) per ton.
In France,	£8	or $40 (gold) per ton.

[It should be noted that women and children are extensively employed in mining operations in Great Britain, at prices far below the cost of similar labor performed by men, and that the product is thereby considerably cheapened.]

Now, I believe that improvements and economies are soon to be realized which will considerably reduce the cost and price of Iron; but, as these will be universally diffused, I do not suppose we shall make Iron so cheaply here as it can be made in Europe, so long as labor there costs less than half the price of similar labor here. A ton of Pig Iron embodying a good fortnight's work, — part of it skilled, or high-priced labor, — on either continent, I judge that it must continue to cost more where such labor is worth two dollars per day than where it averages from sixty cents to one dollar per day.

Better authorities dissent from this conclusion. The Hon. Daniel J. Morrell, M. C.,[1] in his testimony before the U. S. Revenue Commission, 1866, says: —

"If British cheap labor were out of the way for twenty-five years, we could so attract their skilled labor, and so nearly rival them in the advantages of capital, that we should

[1] Superintendent of the great rail-producing "Cambria Iron Company"; Johnstown, Penn.

need no Protection. Indeed, I would engage to export rails to the British dominions at a profit, if we could have our own market for that time. I feel certain that such a measure would not impair, but would greatly increase, the revenue. The fully employed and well-rewarded labor of the land would, in a thousand ways, be able to contribute to the income of the Government, and more than make up for the loss of duties on imported Iron. . . . .

"Any branch of American manufacture that has received Protection, adequate to secure it the home market, in the past, has soon demonstrated its superiority of product, and has been enabled to compete, on equal terms, with foreign manufactures."

This seems to me too sweeping, though the rule indicated will generally hold good. A recent British report (from Birmingham) seems more discriminating and accurate, in maintaining that, wherever ingenuity and the substitution of machinery or steam-power for manual labor can be made to tell decisively, there American intelligence and capacity assert their preëminence; but, where (as in Iron) a product costs so many blows with sledge or hammer, — in other words, so much muscular exertion, — there, the relative cheapness of European labor makes itself decisively felt. I incline, therefore, to concur generally in the reasoning on this point of Mr. Hewitt,[1] who says: —

"It is obvious that the abnormal rates for labor which we have been considering cannot prevail in any one branch of industry alone, but must extend to all; as labor, like water, must seek a general level in each community governed by the same laws, and subjected to the same influences. All articles of commerce are, therefore, produced below their normal cost, — that is, the cost which would be possible if the fundamental laws of humanity were not violated in the employment

[1] Paris Universal Exposition, 1867. Reports of the United States Commissioners. The Production of Iron and Steel in its Economic and Social Relations, by Abram S. Hewitt, United States Commissioner.

of women and children, and the payment of a rate of wages to the common laborer inadequate for the proper support and culture of the family. In those commodities which require in the United States more human labor for their production than is necessary in Europe, where labor is so inadequately paid, we have perhaps no other interest than a general concern in the welfare of the human race; but, so far as Iron is concerned, from the fact that we can produce it with as little consumption of human labor as any other nation in the world, the case is different, because there is no absolute loss of wealth, and no misapplied power in its production; and the only question to be discussed is, whether it shall be taken out of the general category of manufactures not so favorably placed as to the cost of production, and by positive legislation placed in the same condition as it would have occupied with reference to foreign competition, if the rate of wages in other countries had never been reduced below their normal standard. We have seen that the cost of making Iron in England, Belgium, and France, at the present time, varies from £ 6 10 s. to £ 8 per ton, and £ 1 additional suffices to pay its cost of transportation to the seaboard of the United States. At these ports, American Iron cannot possibly be delivered at a less cost than $ 60 in gold, against $ 40 in gold for the foreign article, and *the entire difference consists in the higher wages, and not the larger quantity of labor, required for its production in the United States*, where the physical, mental, and moral condition of the working classes occupy a totally different standard from their European confrères, and where the wages cannot be reduced without violating our sense of the just demands of human nature. At the same time, it is to be observed that the business is so far overdone in Europe that no profit can be realized by the capitalist except in special cases, for which adequate reasons can be given. The actual remedy for this over-production would be to withdraw the women and children, as we do, from this class of industry, whereby the production must be reduced, the rate of wages raised, the cost and the selling price increased, capital become remunerative, and the ability to procure iron, made cheap by its adulteration with the violated laws of humanity, be

forever extinguished. To what result the general discussion which this subject is now receiving in Europe will lead, it is not easy to decide; but it is a curious phenomenon to listen in France to the loud complaints, which are made against the competition of Belgium in the manufacture of iron, and, stranger still, in England to the same complaint, and the broad declaration that it will not be possible to do anything for the education and elevation of the working classes without exposing their manufacturers to ruin in consequence of the competition with the worse-paid and worse-fed labor of Belgium. The truth is that the whole system is false, and now, when pressed by the energy, enterprise, and competition, of the age to its legitimate results, Humanity is in rebellion, and there is a general cry from all classes — laborers, employers, philanthropists, philosophers, and statesmen, alike — for relief. The necessity for this relief becomes painfully apparent when the poor-law returns made in England are carefully examined, from which it is evident that there is an army of paupers pressing upon the occupations of the common laborer, and striving to push him over the almost insensible line which divides these two classes from each other. It is not possible that the laborer should receive more than bare subsistence-wages, and there can be no relief for his patient suffering, so long as there are thousands who, unable to earn any wages at all, stand ready to fill up every gap in the ranks of industry; and to the honest laborer himself, standing on the edge of this line, over which he is liable at any moment to be forced into the ranks of pauperism, the anxiety and miserable state of uncertainty for himself and his family must be fatal to all rational happiness, and is well calculated to drive him into vicious indulgences and temporary excesses whenever a transient opportunity is afforded, as a momentary relief from a condition of hopeless misery."

If there be those who hold that American Labor should be reduced to compete on equal terms with such as Mr. Hewitt here depicts, I decidedly disagree with them. But I do not less emphatically differ from the conclusion of those who say, "Since European Labor

is so much cheaper than ours, let us profit by that cheapness to obtain our Metals, Wines and Fabrics, of Europe at lower prices than we must pay for them if made on our own soil." I hold those low prices to be: —

1. *Illusory* (as I have hitherto shown), in that the Foreign products cost more in our labor or its fruits, though less in money, than the home-made. If we analyze the process of paying for a quantity of Home Manufactures, we find that a large part of the payment is made in articles which would have no value, or very little, if our workshops were still mainly in Europe.

2. *Capricious*, in that the prices we pay for European products which we rival here are far less than they would be in the absence of such rivalry.

3. *Pernicious*, in that our preferring the products of underpaid to those of fairly recompensed Labor tends to reduce the compensation of Labor and the status of the Laboring Class in our country and throughout the world; and

4. *Unpatriotic*, in that the inventions and labor-saving processes which the ingenuity, capacity and intelligence, of our countrymen are constantly making in every field of useful effort they occupy, will be lost to our country and to mankind, if we surrender that field to the unfair rivalry of cheap European Labor.

"But you Protectionists," we are told, "are continually crying 'More! More!' You are like the horse-leech's daughters stigmatized by the prophet, who cry 'Give! Give!' and are never satisfied." Let us see: —

I have before me a tabular exhibit of the duties levied on the most important articles by the several Tariffs passed by the friends of Protection from 1816 inclusive. Here are the rates levied by them respectively on Iron: —

	Tariff of 1816.	Do. 1824.	Do. 1828.	Do. 1832.	Do. 1842.	Do. 1861.
Pig, per ton,	$9	$12½	$12½	$12½	$9	$9
Rolled Bar,	30	37	30	30	25	25
Nails, per lb.	3 cts.	5 cts.	5 cts.	5 cts.	4 cts.	2½ cts.

Hence it will be seen that not only are the average duties on Iron lower this day than they were fixed by the Lowndes-Calhoun Tariff of 1816, but Pig Iron — the lowest and rudest condition of the metal — that which is simply rugged Human Labor in a concrete form — is admitted at as low a duty under the present Tariff as under that of 1816, or under any of those since passed by the friends of Protection. The effort of the Free-Traders to confuse the public mind with regard to these facts by diluting the present duty into its Greenback equivalent, so as to call it twelve dollars or over per ton, is contemptible. The duty is levied and computed in precisely the same currency (coin) to-day as under all former Tariffs; the nine-dollar duty per ton paid to-day on imported Pig Iron is exactly the same per ton as that imposed by Mr. Lowndes's Tariff of 1816; while other duties on Iron are lower. No other item in the present Tariff has been more fiercely or frequently assailed than the duty on Pig Iron; and there is a wide-spread impression that it is higher now than ever before; yet above are the facts. And, while the duty is lower to-day than under our former Tariffs, such has been the progress and improvement of our Iron industry that we now import but one ton of Pig Iron for every dozen to twenty tons that we make at home, — proving that American Pig is very decidedly cheaper than British with the duty added. And Commissioner Wells's last Report, in which the duty on Pig Iron is assailed as exorbitant, pernicious, destructive, shows that our annual product of Pig Iron is largely

and constantly increasing, while that of our European rivals is stationary or declining. I quote his tabular exhibit entire, though it is obvious that his estimate of our production for 1868[1] is far below the truth: —

ANNUAL PRODUCT OF AMERICAN PIG IRON FROM '63 TO '68.

Years.	Tons.	Annual Increase.
1863	947,604	
1864 . .	1,135,497	19.82 per cent.
1866 . . .	1,351,143	9.50 "
1867 . .	1,447,771	7.16 "
1868 (estimated)	1,550,000	7.06 "

For the seven years from 1860 (when the production was 913,770 tons) to 1867, the average annual increase has been 8.35 per cent. This increase is in excess of the present average annual increase of the Pig Iron product of Great Britain, which, since 1863, has been as follows: —

Years.	Tons.	Increase.
1863 . . .	4,510,040	
1864 . .	4,767,951	5.71 per cent.
1865 . . .	4,819,254	1.08 "
		Decrease.
1866 . .	4,523,897	6.50 per cent.

In France, the annual product of Pig Iron was, in 1866, 1,253,100 tons, and in 1867, 1,142,800 tons: showing a decline of 110,300 tons.

In Austria, the official returns of the Iron trade show a diminution of 42 per cent. in 1866 as compared with 1860, and of 60 per cent. as compared with 1862.

I will now add some statistics of our Iron Imports, compiled from the last Annual Report of Francis A.

[1] "We find that the grand total production of Iron from the ore in 1868 was 1,640,600 tons." — Annual Report of the American Iron and Steel Association for 1868.

Walker,[1] showing the amount and character of those Imports for the last calendar year (1868) inclusive: —

Description.	Duty.	Declared Value.
Pig Iron,	$9 per ton,	$1,740,124
Castings,	part 30 per ct. and part specific,	28,801
Bar Iron,	1 cent per lb.	2,766,067
Boiler Iron,	1½ cts. per lb.	72,097
Band, Hoop and Scroll,	1¼ @ 1¾ cts. per lb.	341,765
Railroad bars or rails,	$14 per ton,	5,348,352
Sheet Iron,	polished, 3 cts. lb. plain, 1¼ @ 1¾ cts. lb.	764,391
Old and Scrap,	$8 per ton,	2,039,293
Hardware,	3½ cts. per lb.	201,894
Anchors, cables, and chains of all kinds,	2¼ cts. per lb.	259,181
Machinery,	3 cts. per lb.	304,126
Muskets, pistols, rifles, and sporting guns,	35 per ct.	229,550
Steel ingots, sheets, bars, and wire,	2¼ @ 4 cts. per lb.	2,695,700
Cutlery,	45 per ct.	1,530,550
Files,	30 p. c., and 6 @ 10c. pr. lb.	635,916
Saws and tools,	av. 45 per ct.	92,247
Manufactures of Iron and Steel not specified,	35 per cent.	4,757,892
Total,		$23,807,451

[NOTE. — I should have given the quantities imported as well as the value, but the official returns are avowedly imperfect.]

I have made out the above table — stating the duties on the several descriptions as accurately as I may (since Mr. Walker's classification is different from that followed in the Tariff) — in order to elucidate the ingenuity and facility wherewith importers thread their way through the most stringent and carefully devised schedule of duties. We have been over forty years trying to frame

[1] Deputy Special Commissioner of Revenue.

Tariff provisions that would protect our struggling industries, and have given more attention to Iron manufactures than to any other; yet note how enormous is the importation of Old or Scrap Iron, because the duty on that is comparatively low; while "Manufactures not specified," being charged an Ad Valorem duty, are swelled to the most ungainly proportions. Railroad Iron being admitted at a comparatively low rate, everything that can be made to look like a rail seeks admission under this head: so the three descriptions specified reach these staggering dimensions: —

Railroad Bars or Rails,	$ 5,348,352
Old or Scrap Iron,	2,039,293
Manufactures not specified,	4,757,892
Total,	$ 12,145,537
All other Iron and Steel and Manufactures thereof,	$ 11,651,914
The three kinds above specified exceeding all the rest, by the sum of	$ 493,623

The careless public, looking at the high rates levied on Hardware, Machinery, &c., says, "Surely, these must be sufficient"; but the importer avoids these, so far as possible, by changing the character or disguising the appearance of his wares, so that they may pass under some designation which is subjected to a lower impost; and thus the Protection afforded is not what Congress designed, but far less than that. The longer a tariff continues, the more weak spots are found, the more holes are picked in it, until at last, through the influence of successive evasions, constructions, decisions, its very father could not discern its original features in the transformed bantling that has quietly taken its place. Every decision, whether by a functionary or a jury, that makes in favor of cheap importation, affords a footing for new exertions of mercantile ingenuity and legal subtlety to

undermine and subvert the hated barrier, —thousands holding (or, at least, asserting) that all tariffs are at war with natural right and public interest, and so should be nullified so far as possible. Doubtless, the duties on Iron, Steel, and their Manufactures, being so largely specific, are more fully collected than those on Textile Fabrics, &c., are or could be; but they still fall in fact far below what a simple perusal of the Tariff would indicate.

That ours is destined to be a great Iron-producing as well as Iron-working country, every American instinctively believes. He cannot admit that God has filled our soil with such enormous deposits of Ore, Coal, and Limestone, to be forever left there useless and unvalued, while British rails are laid across them in every direction, and British engines career thereon, drawing cargoes of British bars and British manufactures for the use of the dwellers on the tributaries of the Mississippi, the Colorado, and the San Joaquin. Thus, when Mr. Hodgskin, an intelligent and candid Englishman residing in this city, recently made an address to a Free Trade meeting in Brooklyn, wherein he argued that we should buy our Iron from Europe because her low-priced labor enabled her to produce it much cheaper than we could, our Free Trade journals at once shrank from that position; choosing to insist that American Iron was dear only because the present Tariff enabled our Iron-masters to charge an exorbitant price for it!

Such unworthy shifts cannot abide the test of time and discussion. The price of Iron, as of anything else, is measured with general accuracy by the cost of producing it; whenever the profit of such production is large, thousands are incited thereby to embark in it; and this tendency cannot be checked until the profit falls to (or below) the average of that realized in other investments.

We shall ultimately produce Iron much cheaper than now, through the improvement and perfection of the processes by which we make it; and to such improvement it is indispensable that our Iron industry shall be not dead but alive. The unsteadiness of our policy in the past has sadly retarded our progress. Capitalists hesitate to invest the vast sums required to produce steel rails (for instance) at a moderate cost, with the sword of Damocles suspended over their heads by a formidable party intent on the overthrow of Protection; but let the public voice be unmistakably heard on the right side, and millions of capital will flow into the various departments of our Iron industry, insuring economies unattainable while our policy shall remain unstable, precarious, capricious. Were it this day fixed and proclaimed that no reduction of our Iron imposts would be made during the next ten years, mines would be opened and furnaces erected wherever Ore and Coal exist in proximity or may be cheaply brought together; rolling-mills and forges would speedily follow in their train; invention would be stimulated and improvements perfected, until we should soon have cheaper Iron through the cheapening of the processes, the increased efficiency of the labor, employed to produce it. That cheapening would not be fully indicated by the prices ruling in New York; for that is the point where, while imported Iron is cheapest, American Iron is necessarily dearer than at the points of production, hundreds of miles inland, where it is nearer and worth more to the great body of our consumers than it would be in this city. A genuine cheapness is only attained by means consistent with the just recompense, intellectual enlightenment, and moral elevation, of the Laboring Class: we shall secure the former without sacrificing the latter through the judicious, ample, steadfast Protection of American Industry.

XIV.

PROTECTION ILLUSTRATED — SUGAR.

Sugar has become the commonest and most indispensable luxury of civilized man. Consumed and enjoyed at almost every meal by the rich and great, the poor are rarely too poor to buy and use it: in some crude, low form, it forms a part of the daily diet even of public paupers and imprisoned felons. The wildest, rudest savage, who never heard of its existence till yesterday, finds it delicious, and gorges it with avidity; he will give a buffalo-robe or a beaver-skin for a cupful of it rather than forego its enjoyment. The liking for Tobacco is artificial, acquired, partial; but that which finds its gratification in saccharine flavor is natural, spontaneous, and almost, if not quite, universal.

Yet such gratification was obtained by our European ancestors, down to a comparatively recent period, only through the use of Honey. The Sugar Maple was unknown to them prior to the discovery of America, its native land; the Cane was still confined to China, Japan, India, and their adjuncts; whence it was brought westward by the conquering Saracens, and planted, not far from the era of the Norman Conquest, in the isles of the Mediterranean when subjected to their sway; whence it was afterward diffused by them into Southern Italy and even Spain; yet it was not till after the discovery of America by Columbus that Sugar — whether the Cane was found already growing in the tropical isles we call West Indies, or soon carried thither by the Spaniards, and there found a most congenial soil — became one of

the great staples of International Commerce, and was welcomed to the tables of the merchant and banker as well as to those of the noble and king.

And, though the fact that Sugar existed in and was chemically extractable from the Beet, Carrot, and other edible roots, was discovered by the German chemist Margraff in 1747, no practical benefit was realized from that discovery until after the close of the last century. Dr. Johnson, in his great Dictionary of the English language [1755], defines as follows: —

SUGAR: 1. The native salt of the *Sugar Cane*, obtained by the expression and evaporation of its juice; 2. Anything proverbially sweet; 3. A chymical dry crystallization.

It is plain that, broad and even loose as are the secondary definitions, the great lexicographer had no clear conception of the extent to which Sugar exists in the vegetable products of the Temperate as well as in those of the Tropical Zone. Ere Noah Webster completed the compilation of his still greater Dictionary, three-fourths of a century later, the progress of human knowledge had been such as enabled him to give this far more accurate definition: —

SUGAR: 1. A sweet, crystalline substance, obtained from certain vegetable products, as the Sugar-Cane, *Maple*, *Beet*, *Sorghum*, and the like; 2. That which resembles Sugar in taste, appearance, or the like, as Sugar of Lead [that is, acetate of Lead], so called because it has a close resemblance to Sugar in appearance, and tastes sweet; 3. Figuratively, compliment or flattery employed to disguise or render acceptable something obnoxious.

The advance in human knowledge and efficiency indicated by a comparison of Webster's with Johnson's primary definition of Sugar, is the fruit of half a century of determined, stringent Protection.

Margraff, an eminent Prussian chemist, gave to the world his discovery of Sugar in the Beet and kindred roots, in a paper read before the Berlin Academy of Science in 1747, as aforesaid, wherein he claimed for it great importance as the basis of a new and beneficent expansion of European industry. No practical results were thence deduced, however, for a generation. Margraff was in 1773 succeeded in his efforts by Achard, another Prussian chemist, who patiently prosecuted his experiments until he was ready to engage in practical Beet culture and manufacture, which he did in 1789, at Caulsdorff, near Berlin; he having ere this attracted the attention and patronage of that determined Protectionist, Frederick the Great, by whose aid he commenced operations looking to the production of Beet Sugar. Had Frederick lived twenty years longer, the successful production of Beet Sugar would probably have been achieved earlier than it was by nearly a quarter of a century; but he died in 1786, when "another king arose, who knew not Joseph"; and Achard was constrained by lack of means to suspend his operations for several years.

He resumed them, however, before the close of the century, and with such success that he was encouraged to publish an account of his operations in 1797, followed by a letter describing his processes, which appeared in the *Annales de Chimie* (Paris) in 1799; wherein he insisted that Sugar might be produced from the Beet to any desired extent, with present advantage and ultimate profit.

The seed fell on good ground. The victories of Rodney, Hood, Nelson, and their compeers had nearly converted the high seas into British lakes. In the great wars which followed the French Revolution of 1789, the flag of France, triumphant on land, had already been nearly driven from the oceans, and was soon to be wholly

excluded therefrom. Tropical produce was already scarce and dear in the French Republic; Trafalgar and British "Orders in Council" were soon to render them still more so. France, while giving law to the Continent, revolted at the thought of sweetening her coffee only by the gracious permission of the British oligarchy. The famous Institute was incited to scrutinize the representations of Achard, and a commission of its most capable members, appointed by it to examine his processes, verify his statements, and report upon his discoveries and their merits.

The experiments thus impelled did not justify the sanguine expectations which Achard's letter had excited. Though the juice of the Beet contains, on the average, ten per cent. of Sugar, but one or two per cent. could (on a large scale) be extracted by the best machinery and processes yet invented. The Commission reported that Bêet Sugar, (crude,) which Achard had reported as costing but sixty centimes per kilogramme (about five and a half cents per pound), could not be produced for less than one franc eighty centimes per kilogramme (equal to sixteen cents per pound). Two Beet Sugar factories, established near Paris, soon failed, entailing heavy loss on the proprietors, and casting deep discredit on the new industry. Dark days succeeded; for the Sugar business prospered no better in Germany, its cradle, than in France. For a time, France, rigorously excluded by British cruisers from her own colonies, and from all places beyond the seas, either did without Sugar or paid over fifty cents per pound for it. Resolute attempts were made to extract Sugar, or a semi-liquid equivalent, from the Grape; and chemists experimented and sought for Sugar in every direction, without achieving any noteworthy success.

But France had by this time a ruler not easily dis-

couraged, an embodiment of energy and forecast, whom our modern Free-Traders have not yet mustered the hardihood to claim as of their school; though they will probably attain to it by degrees, as they have already done in the case of Henry Clay. This man — Napoleon Bonaparte by name — had resolved that the production of Beet Sugar should not be given up as a failure. He encouraged chemists, agriculturists, and manufacturers, to resume their efforts and persist in them; and he was heeded. In 1810, M. Deyeux submitted to the Academy of Sciences a report, in which he insisted that the Beet was France's best hope for deliverance from the prevailing scarcity and dearness of Sugar; and that report produced an effect still held in grateful remembrance.

Two loaves of excellent home-made Beet Sugar having been presented to the Emperor, he gave the subject of its production as much thought and study as he could, amid his incessant and gigantic cares, and decreed[1] that 32,000 hectares (nearly 80,000 acres) of land should be devoted to the culture of the Beet, and a considerable sum was confided to the Minister of Agriculture expressly to encourage the production of Beet Sugar. Coincident instructions were despatched to the prefects of the several departments into which France is divided, and a subsequent decree[2] established five schools of Chemistry in aid of the manufacture of Beet Sugar; while four imperial factories were provided, calculated to produce, from the crop of 1812, 2,000,000 kilogrammes (nearly 5,000,000 pounds) of Beet Sugar.

The tremendous struggle inaugurated by Napoleon's ill-starred expedition to Moscow necessarily distracted attention from industrial problems, and threatened to engulf the new manufacture entirely. "At the moment," says M. de Dombasle, one of the pioneers in this in-

[1] March 25, 1811. [2] January 15, 1812.

dustry, "when I was preparing my ground for the production of Beets, our armies were in Moscow; when I was engaged in making Sugar from those Beets, our factory served as the quarters of a pulk of Cossacks." Others had similar experiences: and the efforts, alarms, and disasters, attending Napoleon's final struggles for power on the soil of France, gave a succession of shocks to the new industry which a vigorous constitution was needed to withstand.

Napoleon fell; but not till he had afforded a fresh demonstration of the truth that "Peace hath her victories not less renowned than War," or, if less renowned, certainly more substantial and enduring. He found time before his overthrow to visit the refinery at Passy near Paris, where the best Sugar was in process of preparation for table use; and next day's *Moniteur* announced that "A great revolution in the Commerce of France has been accomplished,"—an averment possibly premature, but essentially true. The fields of Marengo, Austerlitz, Wagram, and Borodino, no longer acknowledge the sway of France; the name of Napoleon naturally recalls memories of the Berezina, of Leipsic, Waterloo, and St. Helena, rather than of his brilliant but barren victories; even the imposing Arch of Triumph and the lofty column in the Place Vendome awaken thoughts of the vanity of ambition and the fleeting illusions of power and fame; but a million of French acres devoted in ever-widening area to the profitable cultivation of Beets, and hundreds of factories annually producing more than Six Hundred Millions of pounds of cheap and excellent Beet Sugar, remain to attest to the present and to future generations the genius and true glory of Napoleon I.

Beet Sugar is no longer an experiment. Its success is now beyond question or cavil. In France, as in

Germany, it no longer needs nor seeks Protection. Lands worth four hundred dollars per acre can be no otherwise so profitably employed as in the production of Beets for Sugar, though that Sugar is now afforded in Paris and throughout France cheaper than Cane Sugar of equal excellence ever was. The expediency of the home production of Sugar has passed out of the region of controversy so far as France is concerned. But there *was* a time — there are those living who well remember it — when nothing was represented and regarded as more preposterous than the notion that Sugar might be profitably made from Beets, when Providence (so it was urged) had decreed that the Cane alone should supply it. Growing pine-apples in Greenland, naturalizing the reindeer in Cuba, extracting sunbeams from cucumbers, and all the kindred similes which Free-Traders deem so apt and conclusive, were hurled at the heads of Frenchmen in pursuit of Sugar under difficulties; the British press fairly frothed over with lampoons and libels aimed at the frog-eaters and their wild-goose chase for sweets; and epigram was piled on epigram, whereof the point was ever substantially this: —

"Says John Bull to Bony, 'While I use the Cane,
You are welcome each year to get Beet.'"

Even down to the comparatively recent period (1837) at which Dr. Wayland gave to the public his "Elements of Political Economy," Free-Traders still pointed to the French Protection of her Sugar-makers as an illustrative example of the folly of Protection. As casting a strong side-light on the whole subject, I quote *all* that the Doctor (condensing from The Edinburgh Review) has to say [1] on this subject, viz.: —

The Sugar Trade. — To encourage her colonies, France lays a duty of fifty francs per quintal on all foreign sugars.

[1] Elements of Political Economy, by Dr. Wayland, p. 159.

This has increased the quantity made at home and at her islands. So far, it has succeeded; but,

2. The difference between the duty on foreign and the duty on her own sugars amounts to 32,945,000 francs. This is the bounty paid to the sugar-growers of Martinique and at home.

3. The quantity of sugar consumed is probably less by one-third than it otherwise would be. England, with half the number of inhabitants, consumes two and a half times as much sugar as France.

4. But it is said that by this means beet-root sugar will yet supply France at the ordinary price. It must, however, take twenty years under the present system in order to do this. The present Protection costs £1,400,000 per annum. Suppose this to continue for twenty years, it will amount to £28,000,000 sterling; the interest of which at five per cent. will buy, at two and a half pence per pound,[1] 126,000,000 pounds of sugar per annum, or nearly the whole annual amount of sugar now consumed in France.

Here is the familiar Free Trade assumption, that all

[1] Dr. Wayland is all wrong in his facts. The actual average price of Sugar *in bond* (that is, duty unpaid) in London in that year, 1837, was not 2½ d. per pound, as he asserts, but £1 14 s. 7 d. per cwt., equal to $3\frac{7}{10}$ d. per pound. Then, in regard to the consumption of Sugar in France and England, I find that, in 1837, the quantity consumed in France was 249,058,832 pounds, and in England 442,838,720 pounds, which is not double, — not 75 per cent. greater. The duty in France on Sugar from her own colonies was 37 s. 6 d.; in England, the average duty was 24 s. In reference to the price, the present Emperor of the French, writing in 1842 on the Sugar Question, said: —

"The price of Sugar, which, under the Empire, was 9 francs per kilogramme, has since fallen to 1 franc 10 centimes; and though then protected and encouraged, it has now to support a tax of 27 francs per 100 kilogrammes; or, together, a difference, to the detriment of the manufacturers, of 817 francs per 100 kilogrammes."

Deducting from 110 francs, the price of 100 kilogrammes of Sugar at 1 franc 10 centimes per pound, the duty of 27 francs, leaves 83 francs as the price of the Sugar exclusive of duty. According to Reed's History of Sugar, the price of Sugar in bond in London was then 36 s. 11 d. per cwt., or 86 francs 9 centimes per 100 kilogrammes. So that, only *five* years later than when Dr. Wayland wrote, Beet Sugar was cheaper in France than Cane Sugar in its cheapest European market!

the Sugar, foreign and domestic, consumed in France, was enhanced in price by the full amount of the duty charged on the importation of foreign Sugar, — an assumption refuted by a million facts. Because there was a duty of fifty francs per quintal charged on Sugar imported from other than French colonies, it is assumed that all the Sugar consumed in France is enhanced in price to that extent; and not merely is, but will continue to be, up to the moment when the steady growth of Home production shall have entirely excluded foreign Sugar! The French are thus figured as taxing themselves, during the ensuing twenty years, no less than £28,000,000, or nearly $140,000,000, — very nearly what their supply of Sugar would cost them under Free Trade! Such is the Free Trade calculation; now let us look at the facts.

The Sugar Industry of France — which (like our own equally immature Manufactures) had received a serious set-back from the sudden cessation of hostilities consequent on the downfall of Napoleon, opening our markets to the products of British fabrication and the French to a corresponding influx of tropical or Cane Sugar — soon recovered from the blow, and, under the guardianship of steadfast Protection, had attained such development and strength that, in the very year (1837) of Dr. Wayland's publication of his "Elements," it was, for the first time, subjected to an impost or excise of fifteen francs per one hundred kilogrammes, or a little over a cent and a half per pound. (We presume that even Free-Traders will not contend that *this* impost was designed to favor the domestic beet-growers or sugar-manufacturers.) The first effect of this impost was to close one hundred and sixty-six sugar factories, extirpating the Beet Industry from seventeen of the forty or fifty Departments in which it had taken root. But the Sugar industry had

ere this acquired a vitality and vigor which enabled it to recover from this shock, and soon resume its onward march. The impost was raised from time to time, as the growth and prosperity of the business were judged so decided as to enable it to bear them, until all the Protection afforded by duties on Imports was fully countervailed by the excise on home production; and, since 1860, it may be fairly claimed that Beet Sugar has been produced in France more cheaply than it could be imported in the absence of any tariff. The present rates of duty collected in France on Sugar are as follows: —

	Per 100 kilo. net.	Equivalent in American gold per 100 lbs.
Raw Sugar, under No. 13 *Dutch Standard.*		
From French West Indies and Island of Réunion and settlements in Madagascar	37 fr.	$ 3.36
From other French Colonies	37	3.36
From other countries out of Europe	42	3.82
From Europe or European entrepots, Colonial sugar	44	4.00
Raw Sugar, above No. 13 *to No.* 20, *inclusive.*		
From French West Indies and Island of Réunion, and settlements in Madagascar	39	3.54
From other French Colonies	44	4.00
From other countries out of Europe	44	4.00
From Europe or European entrepots, Colonial sugar	46	4.18
White Sugar, powdered, above No. 20 *Dutch Standard.*		
From French West Indies and Island of Réunion	40	3.63
From other French colonies prohibited.		

White Powdered Sugar from all other countries is prohibited.

Refined Sugar.		
From French West Indies and Island of Réunion	42 fr.	$3.82
From other French colonies prohibited.		
From England and Belgium, with certificate of origin	55	5.00
Refined Sugar from elsewhere, not above mentioned, prohibited.		
Beet-Root Sugar.		
Grown and manufactured in France, below No. 13 Dutch Standard . .	42	3.82
Grown and manufactured in France, from No. 13 to No. 20 . . .	44	4.00
Powdered, white, above No. 20 .	45	4.09
Refined	47	4.27

The production, meantime, has steadily increased, until there was made from the excellent Beet crop of 1865 no less than 274,000,000 kilogrammes (or nearly 678,287,040 pounds) of Sugar, or more than five times the quantity which Dr. Wayland estimated, less than thirty years before, as equivalent to the total consumption of France; and, though the yield has since been less abundant than in that exceptionally bounteous year, yet the product of the ensuing year (1866 – 67) was officially returned at 216,000,000 kilogrammes, or 533,191,280 pounds, which is equal to about fourteen pounds per annum for each man, woman, and child, living in the country, not including the quantity of Cane Sugar still imported from the French tropical colonies, and disregarding also the large product of Molasses in the Beet-Sugar factories, which considerably exceeds 100,000 *tons* per annum. It may be confidently asserted that no Continental people who mainly procure their Sugar from the tropics, under no matter how low duties, ever consumed half so much Sugar, though the means of the French peasantry are limited and their habits notoriously frugal.

We have seen that Sugar, in the days when Protection was inaugurated, sold in Paris at fifty cents per pound, — a consequence, not of Protective duties, but of British blockades and captures. That price was of course temporary, and the fall after the return of peace was signal and rapid. The following are the wholesale prices of No. 12 raw Sugar in Paris, exclusive of the impost levied thereon by the Government, so far as I have been able to obtain them :[1] —

Year.	Price per lb.	Year.	Price per lb.
1816 . .	$12\frac{6}{10}$ cts.	1854 . .	$5\frac{8}{10}$ cts.
1817 . .	$11\frac{6}{10}$ "	1855 . .	6 "
1818 . .	$12\frac{1}{10}$ "	1856 . .	$6\frac{4}{10}$ "
1819 . .	$11\frac{6}{10}$ "	1857 . .	$7\frac{6}{10}$ "
1820 . .	$10\frac{8}{10}$ "	1858 . .	$5\frac{6}{10}$ "
1821 . .	$10\frac{8}{10}$ "	1859 . .	$6\frac{1}{10}$ "
1822 . .	$7\frac{8}{10}$ "	1860 . .	$6\frac{1}{10}$ "
1823 . .	$8\frac{6}{10}$ "	1861 . .	$5\frac{9}{10}$ "
1824 . .	$10\frac{3}{10}$ "	1862 . .	$5\frac{2}{10}$ "
1825 . .	$9\frac{9}{10}$ "	1863 . .	$5\frac{2}{10}$ "
1826 . .	$10\frac{3}{10}$ "	1864 . .	$5\frac{8}{10}$ "
1827 . .	$9\frac{9}{10}$ "	1865 . .	5 "
1828 . .	$9\frac{9}{10}$ "	1866 . .	5 "

[NOTE. — There was a gradual fall from 1828 to 1854; but I have no precise data.[2]]

Here we see that Protection, pure and simple, created on the soil of France a perfectly novel industry, so far as that country or its material is regarded, and reduced the price of its product, by gradual and persistent approaches, to a point below that at which tropical sugar

1 From "Beet-Root Sugar and the Cultivation of the Beet." By E. B. Grant. Boston: Lee and Shepard. 1866.

2 The following extract from a letter quoted by Mr. W. Digby Seymour gives the relative prices of Beet and Colonial Sugars in Paris in 1851, which shows that Beet Sugar commanded the highest price of each quality: —

"In order to enable you to determine the commercial value of in-

had ever been or could now be afforded in France, were all tariffs abolished and trade rendered absolutely free.

The Protection afforded to home-grown or Beet Sugar over Colonial or Cane Sugar ranged from about eight cents per pound in 1816 down to one to three cents from 1840 to 1860. Since 1860, the duty (as will be seen) is rather lower on Colonial than on Beet Sugar. In other words, Protection, having done its perfect work, is superseded, as no longer necessary.

digenous (beet) sugar, I copy the price-current of sugars last week. Porto Rico sugars, which bring a higher price in the London market than sugars from the Antilles, shall serve as a base.

PRICE PER 100 KILOGRAMMES (220 LBS.) DUTY PAID.

Sugar.	Paris. Francs.	Nov. 7, 1851. Equivalent per 100 lbs. Am. gold.
Porto Rico, good Fourths,	118 @ 119	$ 10.72 @ $ 10.81
Martinique and Guadaloupe, good Fourths,	120 " 121	10.90 " 11.00
Beet, good Fourths,	131 "	11.90 "
Martinique and Guadaloupe, fair Fourths,	123 " 124	11.18 " 11.27
Beet, fair Fourths,	133 "	11.27 "
Martinique and Guadaloupe, fine Fourths,	125 " 126	11.18 " 11.27
Beet, fine Fourths,	125 "	11.18 "
Beet, refined, first quality,	140 " 144	12.72 " 13.09
Beet, refined, second quality,	146 " 178	13.27 " 16.18

"How to Employ Capital in Western Ireland. By William Digby Seymour." p. 282.

XV.

THE HARMONY OF INTERESTS — THE SUGAR INDUSTRY OF FRANCE INVIGORATING OTHER INDUSTRIES — BEET SUGAR ON ITS TRIUMPHAL MARCH.

An important question remains to be considered: What has been the effect of this remarkable development of Sugar industry upon other departments of the industry of France, more especially upon Agriculture, and upon the recompense of Labor? As this is a vital point, I choose to quote at length the official Report on the Condition of the Sugar Industry of France, made by M. B. Dureau at the last great Exposition of the World's Industry (Paris, 1867), as follows:[1]—

"The extent of the Beet Culture, which was not, ten years since, more than 128,440 acres, may to-day be estimated at about 271,700 acres, or about one-twentieth of the arable soil of France, which exceeds 54,249,640 acres. These figures confront impressions and statements which imply that the development of Beet culture had been effected at the expense of that of cereals, and that to make Sugar exposed us to a scarcity of Wheat. But facts have demonstrated that the lands devoted to Beet may be doubled or trebled, and still sufficient remain in cereals for the sustenance of man. It has been demonstrated, even, by incontestable facts, that, *instead of tending to reduce the space devoted to cereals, it remarkably augments it.* One example will suffice to prove it: —

"In 1854, the area devoted to Wheat in the arrondissement of Valenciennes was 36,582 acres; in 1867, it attained

[1] Universal Exposition, Paris, 1867. Report on the Condition of the Sugar Industry.

the figure of 39,537 acres, although the cultivation of the Beet, which had previously an extent of 17,205 acres, increased to 22,326 acres. What, then, are the products which the Beet supplants? They are barley, the colza, the natural and artificial grasses, the woods, and at other times the fallow ground, which it long since entirely superseded in the North, and which it causes to disappear in all districts where it is introduced. In addition, the product per acre of Wheat is nowhere greater than in the Sugar districts. We can judge, from that same arrondissement of Valenciennes, which had yielded 30⅖ bushels per acre of wheat in 1861, — already out of proportion with the rest of France, — gave in 1866 a return as high as 34 bushels per acre.

"The number of cows and sheep has likewise signally increased. Thus, the districts which most extensively cultivate Beet are those which furnish the most Wheat and Meat, and are therefore the largest contributors to the public alimentation. The arrondissements of Lille and Valenciennes, with their excellent culture, sometimes attain the figure of 31 to 35 tons per acre of Beets. Other regions return a much lower figure; and we believe that we cannot possibly estimate it, on the whole, in France, at higher than 15 to 18 tons per acre. This return, it will be understood, is susceptible of great variations, according to the circumstances, more or less favorable, of the weather.

"The yield of Beet [at first hardly two per cent.] is now from five to six per cent. of Sugar, and the average product of Beet Sugar is estimated at about 1,800 pounds per acre.

"Beet, after its juice is expressed, gives a residuum of great value as a nutritive substance. It may be estimated that 660 pounds of this residuum, fermented by being left for some time in pits, is equivalent in nutrition to 220 pounds of Hay. A working ox is well fed with a daily ration of 88 of pulp and 4 to 6½ pounds of hay. If we calculate that the pulpy residuum is one-fifth in weight of the Beet, and that it will consequently furnish a total quantity of 990,000 tons, we shall find that it can support (exclusive of all other forage) during a year 55,000 beeves of from 1,202 to 1,322 pounds, or 555,000 sheep, and thus produce 1,322,400 pounds

of meat. Moreover, these cattle, fed with pulp, will furnish sufficient manure to fertilize each year about 30,000 acres.

"Beet is, we see, a plant that improves the soil when its culture is accompanied, as it should be, by the feeding of cattle, which its residuum will so largely contribute to sustain.

"The good effect is, however, not limited to this; for, with this plant, nothing need be lost. The leaves and stalks which are left on the soil are likewise fertilizing; which one soon perceives on noting the vigor of the Wheat growing where these leaves, rich in potash, have been more abundantly left to decay.

"If eaten by sheep, the result is the same. The Beet-roots coming to the factory carry with them from five to six per cent. of earth, often a great deal more: this earth, collected at the washing of the roots, along with the *débris* of filaments and roots, makes a fertilizing matter, which is applied as a compost by mixing it with muck from the yard, cinders from the boilers, and other residuum.

"The working of the juice requires a great deal of chalk, which forms, with the abundant scums thrown off during clarification, a mineral and nitrogenous fertilizer of the first order, highly prized by growers: for the scums retain part of the albumen of the Beet and some salts in combination. We make of this fertilizer perhaps about 220,000 tons per season.

"The fabrication of Sugar employs some animal black, the residuum of which (we can scarcely estimate it at less than 495,600 to 660,800 bushels per year) goes to fertilize the granite lands of Brittany and furnish the calcareous element which they require. This is not all. The manufacture of the Sugar leaves an uncrystallizable residuum, namely, Molasses, which may be estimated at from two and a half to three per cent. of the weight of the Beet. This Molasses, the total quantity of which amounts to 132,240 tons per annum, is worked up in special establishments, and, after giving off, by distillation, a volume equal to one-fourth of its weight of pure Alcohol, leaves, in the proportion of ten to twelve per cent., a coarse residuum known as Beet Saline, which contains all the salts borrowed from the soil by the plant; none of the elements

of which escape being utilized, owing to the marvellous system adopted in its treatment. The season of 1865 – 66, according to official figures, has produced 6,765,962 gallons of Molasses Alcohol.

"As to the Salines, — composed of carbonate of potash and of soda, of chloride of potassium, and foreign matters, — their production ought to amount to from 13,224 tons to 16,530 tons.

LABOR.

"It is useful to know what part Labor plays in the fabrication of Sugar. This part is considerable. Let us, therefore, state it briefly. Ten years since, it was estimated that the manufacture of Beet Sugar (we do not speak of the agricultural branch) employed 40,000 persons, of both sexes and all ages. This number has not augmented in proportion to the production, because the application of machinery, and notably of some special machinery, has permitted the realization of a certain economy of hands. We may, nevertheless, estimate that each factory employs from 180 to 200 persons, of whom three-fifths are men, one-fifth women, and one-fifth children of both sexes. The average wages of the men is 60 cents (gold) per day; that of the women, 25 cents; and that of the children, 20 cents. We can estimate at about $10,000 per factory, the wages of each season of 120 days. This gives, for the 441 factories in France, a sum exceeding $4,400,000, to be divided among about 85,000 workers.

"As to the cultivation of the Beet itself, we may calculate for all the hand-labor required from $6.80 to $7.20 per acre, which forms another sum of from $2,000,000 to $2,200,000.

"This employment, created by the Beet Sugar industry, is as such the more interesting because it is purely rural, and takes place in the Winter, — that is to say, at the time when agricultural labor is least required. It is thus that this useful industry comes to the aid of Agriculture, favoring it in all its branches, and unquestionably, by the influence which the extra wages we have mentioned have in counteracting, among the rural population, the false attractions of the cities. In this view, it renders incomparable service."

I do not suppose that any corroboration of the testimony above given is needed; but the following note on the Beet industry of Belgium by an English observer — the correspondent of The London Morning Chronicle, — as quoted in Mr. W. Digby Seymour's work entitled, "How to employ capital in Western Ireland" (1851) — affords a striking confirmation of the accuracy of Mr. Dureau's conclusion: —

"When Beet-root forms a prominent part of the cultivation, the proportion devoted to it is about one-third of the whole farm. Take a farm of ninety hectares ($222\frac{89}{100}$ acres), and there would be thirty hectares ($74\frac{13}{100}$ acres) of Beet-root, forty ($98\frac{84}{100}$ acres) of Wheat, five or six ($12\frac{35}{100}$ or $14\frac{82}{100}$ acres) of Rye, and the rest in clover, carrots, potatoes, &c. It is a remarkable fact that, since this plant has been so largely cultivated here (Belgium), *the yield of Wheat has been as great as when the whole was devoted to the latter*, — so excellent a preparation of the soil is Beet-root."[1]

I have made these long extracts, because, while throwing much light on the general subject of Sugar production, they undesignedly illustrate and commend the beneficence of diversifying the pursuits and productions of a people. France has at length cheaper and more abundant Sugar than she could have had, had she not long since entered resolutely on the work of protecting its production on her own soil, and persevered therein to the end, in spite of the sneers and jeers of economists like Bastiat, who have determined not to see in Protection aught but a device or scheme for enriching one man or class at the expense of another. In their view, Protection being but a cloak for rapacity, the more you protect the more Protection is needed; yet here is France abundantly supplied with a cheap article, naturalized on her soil by Protection, and thus rendered so strong and prosperous

[1] Seymour, p. 95.

and remunerative, that it no longer needs Protection, but goes ahead, fearless and flourishing, without. And, so far from having impoverished other interests during its long struggle, it has aided and enriched them. The soil, mellowed and fertilized by the Beet, produces more Wheat than ever before, and the farmers are incited to devote more acres to that noble grain; the residuum of the sugar-mills feeds more cattle than the same lands ever before subsisted, so that there is more meat as well as more bread; while Labor finds in the sugar-factories employment and wages at the very season when, in their absence, it must go idle and often hungry, and be tempted to drift away to the already overcrowded cities. Such are the obvious results of efficient, successful Protection.

But the substantial and enduring benefits resulting from the early and persistent efforts of France to supply herself with home-made Sugar have not been restricted to her own people. Germany, — which preceded her in the outset and vied with her later exertions, — though for a time less conspicuous in the prosecution of this good work, is now nearly abreast of her. In 1840, Prussia and the States united with her in the "Zoll Verein," or Customs Union, had 145 Beet-Sugar factories, consuming 241,486 tons of Beets per annum, and producing therefrom 13,445 tons of raw Sugar and 8,955 tons of Molasses. In 1865, her factories had increased to 300, consuming 2,106,000 tons of Beets, and producing therefrom 180,000 tons of Sugar and 50,544 tons of Molasses. And whereas it originally required fifty tons of Beets, and in 1840 eighteen tons, to produce a ton of Sugar, successive improvements had, by 1865, enabled the manufacturers to obtain a ton of Sugar from less than *twelve* tons of Beets,[1] with more than a quarter of a ton

[1] Beet-Root Sugar and Cultivation of the Beet. By E. B. Grant. Boston. 1866.

of Molasses. And the ultimate limit of improvement is not yet reached.

The Government, which, in 1840, was content with a tax of $10\frac{3}{10}$ cents per ton on the Beets consumed in Sugar-making, had increased this impost to $\$1.23\frac{6}{10}$ in 1850, and this to $\$3.09$ in 1858,—equal to $\$36$ up to $\$43$ per ton on the Sugar produced. Under this impost, the wholesale price of Sugar was about seven cents per pound.

A recent *Handels-Archive* (Prussian, 1867) gives the following account of the progress of Beet Sugar industry since 1836 in North Germany, or rather the sphere of the Zoll Verein :—

"For the first four years, no tax was laid on the article, in order to encourage the production; in the fifth year, a small financial duty of $10\frac{3}{10}$ cents (gold) per ton of beet-roots was levied; during the next three years, it was doubled and made $20\frac{6}{10}$ cents per ton: in the following six years, it was trebled, and made $61\frac{8}{10}$ cents; then came three years that it was doubled and raised to $\$1.23\frac{6}{10}$; after which it was again doubled for a period of five years, when $\$2.47\frac{2}{10}$ was levied; and finally, for the last nine years, it was raised twenty-five per cent., and now pays $\$3.09$ per ton. In the first four years, it produced no revenue; but in 1867 it yielded no less than $\$8,748,942$.

"During the thirty-one years, the production of beet-root rose from 558,882 cwt. to 55,910,761 cwt. in 1867, and the quantity of raw sugar made from it had increased from 31,048 cwt. to 4,437,361 cwt.

"In 1831, there were 122 manufactories, and at the end of 1867 they had increased to 296, which, however, is not in proportion to the rise of the production; but during the above period the improvements in the machinery and apparatus must have been very great; for whereas in 1831 eighteen hundreds of beet-root were required to yield a hundred of sugar, twelve hundred were sufficient in 1867. From a calculation made of the percentage as compared with the population, it

appears that the production of sugar at first was less than two ounces per head, but amounted last year to 9.79 lbs. per head of the population.

"The statistics of the exports and imports of sugar for each year of the above-named periods, show that, while the imports of sugar in 1831 were 1,202,319 cwt., they had dwindled down to the insignificant quantity of 39,954 cwt. in 1867. At the same time, the exports had increased very nearly in the same though reversed ratio, as in 1831 they amounted to 49,179, and in 1867 had risen gradually to 947,603 cwt."

The Hon. Horace Capron, U. S. Commissioner of Agriculture, upon a call moved by the Hon. S. M. Cullom in the House of Representatives, reported to Congress facts illustrating the production of Beet Sugar, whereof a part have heretofore been given from other sources, but there are others of decided interest which I state on the Commissioner's authority. He says:—

"Without Government encouragement at the outset, it might not now be numbered among the industries which bless the world. When the first Bonaparte fostered the art of extracting Sugar from this garden vegetable as a practical matter, the possibility of obtaining a good article had long previously been demonstrated by chemists; it only remained to be shown that the manufacture could be conducted with profit on a large scale. His object was to exclude from his empire the sugar of British colonies, the price of which was then four or five francs per pound. A prize of 1,000,000 francs was offered by the French Government for the most successful method of obtaining a supply of indigenous Sugar. It was soon evident that such a supply must be furnished from the Beet.

"In Poland, also, in 1812, government loans and exemption from conscription, in aid of the enterprise, were freely offered. In fact, the principal governments of continental Europe vied with each other in perfecting and extending the new business.

"A manufactory of Beet Sugar was in successful operation in Silesia as early as 1805; and in France repeated experi-

ments were undertaken a few years later. Up to 1818, no very marked or rapid progress was made, though the business was constantly extending.

"In 1839, the manufacture, already established upon a solid footing, embraced the operations of 268 factories in France, Germany, Sweden, and Russia. In 1848, France alone had 294; Prussia 346, and Russia 425. The present number of factories in France (according to De Neumann) is 449; many of them are far more extensive than those of former days, and fourteen of the number have been established during the past year. At the first of January, 1868, 3,173 refineries of Beet Sugar were reported as in operation in Europe.

"The total product in 1828 is stated to have been 7,000 tons; in 1851, 180,000 tons; and in 1867, the enormous quantity of 663,000 tons, or 1,485,120,000 pounds, worth $100,000,000, or about seven cents per pound.

"Sixteen years ago, France was able to manufacture half of her total consumption of Sugar, or 60,000 tons; and Belgium, consuming 14,000 tons, imported, in 1851, but 4,000 tons. Germany, at the same date, produced 43,000 tons, Austria 15,000, and Russia 35,000 tons; the latter country also importing, at that time, 50,000 tons of Sugar in addition to the home product. The total manufacture of Europe, as stated above, has been almost quadrupled since that date, and cane sugar in several of those states is now scarcely known.

"The amount manufactured in France during the three months ending November 30, 1867, was 120,553 tons, — 18,613 more than was made in the same period of the previous year. . . . .

"The product of Beets per acre is from fourteen to fifteen tons in France and Belgium. Enormous crops have occasionally been reported. The English Gardener's Chronicle contains the statement of M. de Gasparin, of 27 tons 700 pounds grown upon 39 perches 16 square yards, or nearly 110 tons per acre. He sowed the seed under glass, transplanted the plants in April, hoed repeatedly, and irrigated every two weeks. . . . .

"The large and increasing quantities of Sugar and Molasses required for consumption in this country and the amount of money paid for foreign labor in its production, can be appreciated by a glance at the following statement of imports for five years, which is in addition to a small domestic product of cane, maple, and other sugars, and large quantities of sorghum syrups; a small amount, also, by indirect trade, is not included, on account of incompleteness in the official statement of imports.

	SUGAR.		SYRUP AND MOLASSES.	
Year.	Pounds.	Dollars.	Gallons.	Dollars.
1862	557,137,529	20,357,090	25,157,280	3,427,813
1863	518,594,861	19,082,017	31,206,986	4,732,378
1864	632,230,247	29,660,076	33,571,230	7,256,064
1865	608,855,989	25,248,299	43,309,003	7,471,467
1866	977,885,449	39,595,677	47,768,348	7,227,351

"Here is a total of $ 133,943,159, gold value, paid for foreign Sugar in five years, and $ 30,115,073 for the Molasses, — an average of about $ 33,000,000 per year, and more than $ 50,000,000 in currency; the most of which, if not all, should be retained at home. In view of the great success of the business in Europe, the American people owe to the world's estimate of American enterprise a determined and persistent effort for its establishment here. I see no reason to despair of its complete accomplishment."

A French periodical,[1] with evident satisfaction, says: —

"One of the most remarkable and interesting facts of the past year is the export of considerable quantities of Beet Sugar from France *to England*, — a country that, not many years ago, tried to stifle the Beet Sugar industry in its cradle."

It is not the aim of these essays to commend new branches of industry to favor, nor to insist that these may be pursued to greater profit than others. Our close proximity to the tropical isles in which the Cane grows

[1] Journal des Fabricants de Sucre, January 4, 1866.

with greatest luxuriance, seldom needing to be replanted, and the strong probability that some, if not all, of those islands may soon choose to unite their destinies with our own, may seem to render questionable the wisdom of invigorating the prosecution of Beet culture on our soil with an eye to the production therefrom of Sugar. My end is attained if I have shown that *one* important product has been, through the aid of Protection, naturalized on a continent to which it was supposed utterly unsuited, and in a climate under which its prosecution was deemed wholly impracticable, and that the results are signally conducive to the advantage, not merely of those engaged in that industry, but of the great body also of their countrymen, and to the substantial and permanent well-being of mankind.

Having thus traced, by the aid of official documents, the history and fortunes of the Beet Sugar industry of France, from its origin down to our own day, I propose to place in contrast with the facts a Free Trade travesty of their substance and moral. I quote in full the version of the matter given in The Free-Trader of July, 1868, viz. : —

"The origin of the Beet culture in France was this: During the Napoleonic wars, the ports of France were rigorously blockaded, and foreign trade almost annihilated, so that Sugar went up to $1.20 per pound. The French people were thus compelled to raise Sugar or go without it, and hence resorted to the Beet culture. On the restoration of peace, in 1814, Sugar fell to 14 cents per pound. The protection was gone, and the consumers could get for 14 cents what had cost them $1.20. The Beet Sugar manufacturers began, of course, to clamor loudly for Governmental assistance. France had Sugar colonies of her own, — Martinique, Guadaloupe, Cayenne, &c.; but, to satisfy the home Sugar-growers, a duty was laid by Louis XVIII. of $80 per ton on

colonial and $ 200 per ton on foreign Sugar. Under this heavy protection, the cultivation of the Beet was immensely extended. A powerful opposition was raised to this policy, and much conflicting legislation took place; but the culture has continued to the present time, and the French people have paid so much in the extra cost of their Sugar that the sum total which they have *lost* would form a fund, the annual interest of which would supply them *gratis* with all the Sugar they will consume to the end of time!

"Such is the example of France, as we understand the matter, which Protectionists would have us imitate. To do this, the Government must increase the present onerous duties vastly beyond what they now are, and, if not found sufficient to protect such an unnatural branch of industry, they must be increased until they are. Such are the only conditions on which the culture can be sustained. As in the case of the Cotton manufacture, to protect which we laid at first duties of 25 per cent., but increased them every four years till they reached 50 to 100 per cent., so it must be with Sugar, only worse in degree, as the business is more abnormal. But, if the Government will only begin the work, and persevere sufficiently long, there is no doubt an immense branch of business may be established, and at an enormous loss to the nation. Once begun, there can be no stopping-place. We have taxed the people to protect our 'infant manufactures' for over half a century, and where are we to-day? Have the infants arrived at maturity? Can they stand alone? Have they ceased to cry for Protection? When the people of the West shall have invested millions in sugar-houses, mills, and apparatus, and yet find the business unprofitable as compared with wheat-growing, as they certainly must, the clamor for higher duties will be louder and more irresistible than the first demand for Protection. *Once start any kind of business under Government assistance, and that assistance can never be withdrawn.*"

Compare this final assertion with the facts heretofore given, including the prices at which Sugar has been and is sold in France, and determine on which side is beneficent statesmanship, and on which selfish, narrow,

short-sighted indifference to National growth and general well-being.

I have thus, in tracing the history of Beet Sugar, and the industries conducive to its production, shown what Protection is, what it purposes, and what it *does*. In divesting that production of an exclusively tropical character, diffusing it over a great portion also of the Temperate Zone, and demonstrating its adaptation to every part of that zone, Protection has signally cheapened for the masses their most essential luxury, enabling millions to enjoy it daily who would else have rarely tasted it, and thus increasing the comfort and physical well-being of mankind. Labor more amply and uniformly employed, as well as better paid, lands rendered more productive and therefore increased in value, a substantial and permanent improvement in the character of the soil and the condition of those who cultivate it, — such is Protection, as demonstrated in the creation of the Beet Sugar industry and its firm establishment in Central Europe. In other words: the planting of the Sugar-producer by the side of the Sugar-consumer, from whom he was formerly separated by a distance of three or four thousand miles, has reduced to a tenth the cost at which their products were formerly exchanged, thereby increasing the rewards of industry and the comforts and enjoyments of the poor. Such being Protection as it is, I ask the reader to contrast it with the caricature which its enemies present, and which I find in one of the fly-sheets sown broadcast by the importers' Free Trade League, which has its American head-quarters in our City. I quote it *verbatim*, as follows: —

"PROTECTION.

"'Protect me!' is the imploring cry of a comfortable, well-fed, well-clad personage whom, at first sight, one would hardly

take for a beggar. 'Protect me! I own but ten thousand acres of land in the world. It is my all. It is full of coal; but the Englishmen and Nova Scotians have got coal too, and they offer to sell it cheaper than the price I want. Shut out this foreign coal, and protect me, an American laborer.' He looks even less like a laborer than a beggar.

"'What makes coal so dear when the weather is so dreadful cold? God help us poor!' comes from between the chattering teeth of a toil-worn, care-worn, shivering woman, as she measures with stingy eye a scanty fresh supply of fuel to her waning fire. No cry from her to Government for Protection. No Protection to her from the greed of the strong, the cunning, the avaricious. 'Work for yourself. Work or starve. Self-help. Every one for himself. If Government gave bread, or clothes, or fuel, to the poor, it would demoralize them. Take better care of the pennies you earn. Lay them up in Summer for a wintry day.' Such are the answers she would get if she asked for Protection, — if she turned beggar. No chance for her to put in a replication. The voices of the coal-owners are mighty to drown hers. If she could be heard, she would say: 'How can I lay up my pennies when the strong arm of Government takes them from me, day by day, as fast as I earn them, and hands them over to my richer neighbors? On every spool of thread I buy, Government takes from me a penny or two to pay over to the Woonsocket Factory Company, so that they may make dear thread and big dividends. On every garment I wear, it takes pennies and shillings from me, wherewith to fill the purses of the rich men who make cloth, and stockings, and shawls, and who cannot be content with less than fifty or one hundred per cent. increase of their wealth every year, to pay them for making dear clothes for the American laborer. When I buy a stove or a pair of scissors, I must pay some of my hard-earned pennies to support the wealthy iron-maker of Pennsylvania. I get no Protection to my labor, and I ask none. Let us both alone, — me and the manufacturer. As you let me work my humble way along as best I can, leave him to do the same. Give him no part of my earnings, and I am content with my little share of this world's goods.' If

it demoralizes society for Government to give the poor food and clothes and fuel, is it not equally demoralizing for Government to give to the rich and the strong? And, when it gives to the rich by taking from the comforts of the poor, is it not demoralizing society at both ends?" — *Round Table.*

Reader! the gentlemen who contribute their thousands of dollars each to circulate such appeals as the above to popular ignorance and envy, expecting to make their tens of thousands therefrom by the sale of more foreign products and at higher prices, tell you that *their* views are liberal, enlightened, comprehensive, far-seeing, while mine are narrow, rapacious, short-sighted, partial, and selfish. Compare their statement just given with the facts concerning Sugar set forth in this and the preceding essay, and judge impartially between us.

If you believe that the natural relation of one man to another is that of antagonism, — that the prosperity of A involves or necessitates the bankruptcy of B, — that Agriculture and Manufactures are natural foes, whereof one must perish that the other may flourish, — then your proper place awaits you in the Free Trade ranks. But if you have a true and generous conception of the essential Harmony of Interests, — of the natural and mutual interdependence of diverse pursuits and industries, — such as Jackson afforded in his letter to Dr. Coleman, and Henry Clay maintained and elucidated throughout his long and illustrious public career, then you are in substantial accord with us who uphold Protection, and should not hesitate to march under our flag.

XVI.

AMERICAN SHIP-BUILDING, SHIPPING, AND FOREIGN COMMERCE.

In the later months of 1862, a scarcity of Printing Paper was proclaimed in this market and throughout our country. The protraction and desperation of our Civil War, whereof the close seemed indefinitely postponed; the consequent dilution, expansion, and depreciation, of our Paper Currency; the interruption (more complete then than months later, when our armies had perforated the cotton-growing region) of commercial intercourse between the planting and the manufacturing districts of our country; the scarcity and dearness of Paper-makers' stock, whether of domestic or of foreign origin, — conspired to induce a concerted, sudden, and enormous, enhancement of the price of Paper. Many manufacturers, who were under contract to supply certain newspaper establishments at specified prices for months, if not years, in prospect, repudiated their engagements, pleading inability to fulfil them. Publishers, who had been for years printing paper that cost an average of ten cents per pound, found themselves suddenly required to pay eighteen, twenty, and even so high as twenty-six cents per pound. The Tribune paid this latter price for large consignments, inferior in quality to thousands of reams for which it had recently paid but nine cents; and it sold much of this dear paper, after printing it, for considerably less than its prime cost. At a time when Business was stagnant and Advertising consequently slack, this sudden, unprecedented advance

in what was (and is) by far their heaviest item of weekly outlay, threatened the cheap dailies with absolute ruin.

At once, a concerted outcry was raised for cheapening Paper through the repeal of all duties on its importation. Congress was promptly memorialized, in behalf of most of the leading journals, to cheapen Paper by allowing it to be imported duty-free.

I did not concur in this representation, nor in the view which prompted it. That Paper might be somewhat cheapened, for the moment, by putting it on the free-list, I could not doubt; but I believed that such instant cheapening would be purchased at too great a cost to the country, and even to the newspapers themselves. I believed that the true road to cheaper Paper lay through the encouragement of its Home production; that cheapness thus secured would be real, beneficent, enduring, as that secured by a policy which widened the average distance between producer and consumer could not be. I stood forth, therefore, almost solitary in my resistance to the repeal of the duty (twenty per cent.) on the importation of Printing Paper. I held it better, even for the publishers, that they should pay this duty on the paper they might be impelled to import, than to have it temporarily cheapened by abolishing the impost, at the cost of discouraging the investment of capital and capacity in the discovery or adaptation of new material, the erection of new paper-mills, and the consequent cheapening of paper by means consistent with the fullest development of American Industry.

These views prevailed. The duty on imported paper was not taken off, though considerable quantities were imported under it, some of which was purchased for and used on THE TRIBUNE. Meantime, the high price of Paper incited the erection of new mills and the enlargement of old ones, the improvement of processes, and the

extensive use thereby of fibrous substances previously deemed intractable; and thus Printing Paper was rendered permanently abundant and reasonably cheap for the last two or three years, as it still remains. I believe its average (gold) price has been as low throughout the last two years as in any former two, and lower than the corresponding prices of food, shelter, and clothing. In short, I believe that Paper has been cheapened to its consumers by holding on to the duty, and thus encouraging its production at home rather than abroad.

The same question, essentially, is now to be decided with regard to Iron, more especially its lowest and crudest manufactured form, that of Pig Iron. It is plausibly asserted that Pig Iron is now exorbitantly high, as Paper was in 1862 – 64, — that its producers are rapidly amassing fortunes, — that the only effect of the duty is to enhance the price without increasing the product, — and that a repeal or material reduction of the duty would simply reduce the price without affecting the production, — and that this would enable our rolling-mills, puddling furnaces, &c., to cheapen their product and thus extend their sales, and would hence give a new spring to our entire manufacturing industry, and especially to the department of Ship-Building, which is represented as at its last gasp.

I do not believe that the road to real, permanent cheapness lies this way, nor can I realize that one department of our manufacturing industry is to be benefited by the sacrifice of another. I see it stated, by those who have iron-mines or coal-fields to sell, or a manufacturing city to build, that Pig Iron has been, is, or may be, turned out from their choice materials, in their favored localities, at $ 30, $ 25, $ 23, and perhaps even for $ 20 per ton; and I give due credit to their assertions. That is to say: I presume that, under the

most favorable circumstances, and taking no account of disappointments and failures, the results thus vaunted have been attained; just as I know that some great farmers at the West have filled their bounteous cribs with Corn at a cost not exceeding twenty-five cents per bushel, that could be sold there at fifty cents per bushel: and so with Wheat and other staple products of the soil; while I know that Corn, Wheat, and everything else, cost in the average as much as they bring, else they would be sold for less. I note that those who so loudly inveigh against the enormous profits of making Pig Iron are very careful not to make any, and not to allow any of their means to be used in making any. There are, in Virginia alone, not less than One Million acres of first-rate Iron and Coal lands, mainly covered with choice timber for building and for coaling, that are this hour awaiting purchasers at fifty dollars per acre or less, — all of them within a few miles of railroad or water communication, and some of them directly on the great thoroughfares of the State, which is nevertheless buying abroad most of the (far too little) Iron she uses. I want to see a radical change in all this, — want to see those great forests in good degree turned into buildings and into charcoal; the mines opened and worked; a full Million promptly added by immigration to the Mining and Manufacturing population of the State; and an annual efflux of millions of tons of Iron and Steel instead of the present influx of those metals; and I do not believe that the short way to these results lies through the abolition or essential reduction of the duty on Pig Iron. That duty is exactly nine dollars per ton, which is exactly the same as it was by the Calhoun-Lowndes Tariff of 1816, — is the lowest specific duty ever imposed on Pig Iron in any tariff enacted from 1815 to 1861 inclusive. I believe it is doing good, — nay, I *know* it. Under this duty,

our annual product of Pig Iron has steadily increased, and is now increasing more rapidly than ever before. Throughout the South, the West and the Southwest, wherever Ore and Fuel are found, there the production of Pig Iron has been undertaken or is now eagerly contemplated: let it be settled and understood that the duty will be maintained, and we shall have a thousand more furnaces in operation within the next two years. If there be a profit of even $5 per ton on the production of Pig Iron, that profit will draw more and more capital and labor into the business, until its product shall so abound that the price must fall and the profit average no more than that realized in other pursuits. If this be not the law of the case, then there is no such science as Political Economy, and no truth in the assumption that water, left free to do so, will run down hill.

But it is said that we have been protecting the home production of Iron for half a century, and that we have not yet cheapened it a fraction; so that it is high time we gave up the thriftless experiment.

There are just two grave mistakes in this assumption: first, we have *not* protected the production of Iron for fifty years, nor even (steadily) for any twenty of them; secondly, we *have* cheapened Iron to our consumers quite materially. On this point, let me state a few facts:—

"The Merchants and Bankers' Almanac for 1869" gives the monthly price in this city of various leading articles of commerce for the forty years from 1825 to 1864 inclusive, whence I compile the following statistics:—

Average price of Pig Iron per ton in 1825,	$ 59.90	gold.
Average price of Indian Corn per ton (40 bush.)	22.10	"
Average price of Wheat per ton (37⅓ bushels)	34.41	"
Average price of Upland Cotton per bale of 400 pounds	73.66	"

Cotton was exceptionally high that year, — very considerably higher than throughout the next, and still further above the prices that ruled in several succeeding years; yet whoever will compare the above with the prices recently or now ruling will find that Iron now costs our farmers considerably less in money than it did forty-odd years ago, and not half so much in their labor or its products as it then did. Our Agricultural staples have decidedly improved in price, while Iron costs fewer Greenback dollars per ton now than it did Gold dollars in the infancy of Protection.

I know that some hold that Iron would be still cheaper if we had never protected its home production. They argue that, since *some* foreign Iron sells here at the prices now ruling, our entire supply might be obtained at those prices, less the duty, if that duty were abolished. But reason, analogy, statistics, alike testify that, if we were calling on Europe for nearly Two Millions of tons of Pig Iron, in addition to what she now supplies us, the prices charged for it would be much higher than they are; just as the present ruling prices of Cotton are much higher, because of the large and eager foreign demand, than they would be if no such demand existed. Put out our furnace-fires, or the larger portion of them, by compelling our iron-masters to pay double the current British prices for their labor, yet sell their product in even competition with their British rivals, and it is inevitable that the latter would first crush out the former by underselling, and then, having obtained control of the market, reimburse their outlay by charging prices that would make up their losses.

But I had proposed in this essay to consider the state and prospects of American Ship-building and Shipping, with especial reference to the complaints of their decline and prostration through the influence (as is alleged) of our Protective legislation.

These complaints are nowise novel. No approach, however timid, toward the Protection of our Home Industry, was ever made without provoking an outcry that our Navigation and Foreign Commerce were brought by it to the very brink of ruin. So long ago as 1824, Mr. Webster, — then a Free-Trader, — addressing the House in opposition to the Tariff of that year, touched this point as follows: —

"And first, Sir, as to our foreign trade. Mr. Speaker [Clay] has stated that there has been a considerable falling off in the tonnage employed in that trade. This is true, lamentably true. In my opinion, it is one of those occurrences which ought to arrest our immediate, our deep, our most earnest attention.

"What does this bill propose for its relief? It proposes nothing but new burdens. It proposes to diminish its employment, and it proposes, at the same time, to augment its expense, by subjecting it to heavier taxation. Sir, there is no interest in regard to which a stronger case for Protection can be made out than the Navigating interest. Whether we look at its present condition, which is admitted to be depressed, the number of persons connected with it and dependent upon it for their daily bread, or its importance to the country in a political point of view, it has claims upon our attention which cannot be surpassed. But what do we propose to do for it? I repeat, Sir, simply to burden and to tax it. By a statement which I have already submitted to the Committee, it appears that the shipping interest pays, annually, more than half a million of dollars in duties on articles used in the construction of ships. We propose to add nearly, or quite, fifty per cent. to this amount, at the very moment that we appeal to the languishing state of this interest as a proof of national distress. Let it be remembered that our shipping employed in foreign commerce has, at this moment, not a shadow of government protection. It goes abroad upon the wide sea to make its own way, and earn its own bread, in a professed competition with the whole world. Its resources are its own frugality, its own skill, its own enterprise. It hopes to succeed, if it shall succeed at all, not by extraordi-

nary aid of government, but by patience, vigilance, and toil. This right arm of the nation's safety strengthens its own muscle by its own efforts, and, by unwearied exertion in its own defence, becomes strong for the defence of the country.

"No one acquainted with this interest can deny that its situation at this moment is extremely critical. We have left it hitherto to maintain itself or perish; to swim if it can, and to sink if it must. But, at this moment of its apparent struggle, can we as men, can we as patriots, add another stone to the weight that threatens to carry it down?

"Sir, there is a limit to human power, and to human effort. I know the commercial marine of this country can do almost everything, and bear almost everything. Yet some things are impossible to be done, and some burdens may be impossible to be borne; and, as it was the last ounce that broke the back of the camel, so the last tax, although it were even a small one, may be decisive as to the power of our marine to sustain the conflict in which it is now engaged with all the commercial nations of the globe."

All this was, no doubt, sincerely, honestly, as well as forcibly, impressively, said. Mr. Webster, representing a mercantile, navigating constituency, believed and held that Protection to Home Industry was necessarily, implacably, hostile to Navigation and Foreign Commerce.

But the Tariff so deprecated by Mr. Webster passed, notwithstanding his efforts; and the official returns of our Commerce and Navigation exhibit the following results: —

Years.	U. S. Tonnage. Registered. Sail Tonnage.	Enrolled and Licensed Sail Tonnage.	Enrolled and Licensed Steam Tonnage.	Total Tonnage.
1820	619,048	661,119	. . . .	1,280,167
1821	619,896	679,062	. . . .	1,298,958
1822	628,150	696,549	. . . .	1,324,699
1823	639,921	671,766	24,879	1,336,566
1824	669,973	697,580	21,610	1,389,163
1825	700,788	699,263	23,061	1,423,112
1826	737,978	762,154	34,059	1,534,191
1827	747,170	833,240	40,198	1,620,608
1828	812,619	889,355	39,418	1,741,392

I have here given the official returns of our National tonnage for the year 1824 (wherein Mr. Webster talked as above), also for the four years preceding, and the four succeeding respectively, so as to show how far the facts corresponded to or differed from Free Trade anticipations. Mr. Webster assumed as inevitable that our Tonnage must be reduced and our Navigation dwindle if the Tariff bill then pending should pass; but it *did* pass, nevertheless; and the four years following showed an aggregate of 6,319,303 tons, against 5,240,390 tons in the four years preceding, — an *increase* of over twenty per cent. And the official returns further show that, whereas 2,285 vessels in all, aggregating 253,994 tons, were built in the United States in the four years prior to 1824, no less than 3,841 vessels, with an aggregate capacity of 439,153 tons, were built during the four years succeeding the passage of that bill.[1]

In the light of these facts, I ask attention to the following extract from the memorial[2] of our City's Chamber of Commerce, protesting against the passage of that same bill: —

"Besides the diminution of the revenue which would arise from smuggling, there would be a still greater reduction in consequence of the enormous duties contemplated by the proposed bill. All the lower-priced cotton goods, flannels, and other coarse woollens, hemp, alum, copperas, gums, most of the enumerated articles of hardware, and many other articles which now pay to the Treasury large sums in duties, would either cease to be lawfully imported, or would be brought into the country in small quantities; and the Government would have to resort to some [other] mode of taxation bearing upon

[1] Annual Report of the Director of the Bureau of Statistics of the Commerce and Navigation of the United States for the Fiscal Year ending June 30, 1867, p. 332.

[2] Signed William Bayard, President, John Pintard, Secretary; dated January 23, and published in The Evening Post of February 9. 1824.

every part of the community, in order to supply the deficiency caused by extensive encouragement to a particular interest.

"The Revenue would also decrease from *a general decline of Commerce and Navigation.* If we prohibit or extravagantly tax foreign products, they cannot be imported into our country; and, if we do not buy from other nations what they have to sell, and what we want, can it be expected that they will take from us our commodities? If we do not buy, we cannot sell; for on the supply of mutual wants is founded all the intercourse and all the Commerce of Nations, and, when they cease to be mutual, they cease to exist. Restrictive systems first operate on Commerce, then on Navigation and Agriculture; and, when those great interests are prostrated, they necessarily bring down with them the Revenues of the Government."

The Treasury returns[1] show that the receipts of our Government from Duties on Imports, for the four years preceding and the four succeeding 1824, were respectively as follows: —

1820	$ 15,005,612	**1825**	$ 20,098,713
1821	13,004,447	**1826**	23,241,331
1822	17,589,761	**1827**	19,712,283
1823	19,088,433	**1828**	23,205,523
Total, 4 yrs.	$ 64,688,253	Total, 4 yrs.	$ 86,357,850

Aggregate excess in the four years under the Tariff of 1824 over the four years preceding, **$ 21,669,597.**

How many such discomfitures as this should be required to make Free-Traders distrustful of the theories which doom them to such exposure?

We are not now building vessels extensively, save for our domestic trade, and are not likely soon to be. One reason for this is the great falling off since our Civil War in the volume of our Cotton and other Southern

[1] Appleton's Cyclopædia, Vol. XV. p. 816.

staples which formed the bulk of our exports. We made Five Millions of bales, or One Million tons, of Cotton, in 1860; whereas, we have since the War made but Two Millions of bales to Two and a Half per annum; and of this we require a full third for our home consumption, which is quite as much as we ever did. Consequently, we have less than Two Millions for export; whereas we formerly had over Four Millions. Our production of Rice, Sugar, and Tobacco, has likewise fallen off, though now slowly recovering. Of course, we do not need so many ships as we once did; and the great gaps in our Commercial Marine caused by the exploits [1] of the Confederate Alabamas, Shenandoahs, &c., or by transfers (nominal or actual) of American vessels to foreigners, have not been filled; for, if we had had the vessels, we lacked employment for them. And the reduction of our seaboard tonnage occurred simultaneously with a great, though quiet, marine revolution, through the rapid displacement of sailing by steam vessels, — such, at least, as have steam for an ultimate resource, in the absence of propitious winds.

Sir Morton Peto, in his notes [2] on his visit to this country, judiciously observes: —

"In this question of construction will, probably, be found one main difficulty attending American steam intercourse

1 The sales of American vessels to foreigners during the forty years closing with 1867 amounted to 1,387,752 tons; whereof no less than 774,654 tons — considerably more than half — were made during the four years 1862–65. And, though a considerable proportion of these sales were merely nominal, intended only to give the vessels thereby transferred protection from Confederate corsairs under a neutral flag, Congress has thus far rejected all petitions to allow any of them to be again registered as American. (See U. S. Annual Report of Commerce and Navigation for 1867, p. xxix.)

2 The Resources and Prospects of America, ascertained during a visit to the States in the Autumn of 1865. By Sir S. Morton Peto, Bart. London. 1866.

with Europe. They cannot construct steamships in the United States to the same advantage that we can in Great Britain. Not only are our rates of wages less, but our steamship-building yards on the Clyde, the Tyne, and the Mersey, are situated close to the raw materials — the Iron and the Coal — required for the purpose of steamship construction. This circumstance must always give Great Britain an advantage over the United States in respect to navigation conducted by steamers. The first cost of our steamships always will be less; and, the capital invested in them being less, of course they can be worked to advantage at lower rates. In addition to this, we derive, at present, a considerable advantage from the superior quality of the steam coal with which our ships can be supplied."

Here, you see, are reasons for our backwardness in building and running ocean steamers which no policy could surmount. Our Labor is dearer, our facilities for the cheap production of Steamships less ample, than those of Great Britain. While the ocean was navigated by sail-vessels almost exclusively, the abundance and cheapness of our Timber gave us advantages which counteracted the cheap Labor and Metals of our European rivals; but we lost this when steam was substituted for wind as a motive power. And not we only, but our Colonial neighbors lost it as well. They have cheap Labor and Metals; but Ship-building has nevertheless deserted the St. Lawrence, as well as the Hudson and the Delaware, for the Clyde, — has abandoned Nova Scotia as well as Maine. But a small part of it could be coaxed back to our shores by the repeal of our Tariff. Even though that should reduce our Labor to European prices, we should still encounter obstacles in the capital, the machinery, the experience, the location, and the prestige, of our British rivals, which we could not hope to overcome.

The complaints of stagnation in Ship-building are not

confined even to our continent. They are (except as to the construction of iron steamships on the Clyde and at a few other favored localities in Europe) universal. A popular British annual[1] for 1869, in its "Commercial Summary for 1868 – 69," says: —

"In both wood and iron ship-building, general and great depression existed in 1867. On the Thames, this almost amounted to a suspension of the latter, causing the greatest distress in the eastern parts of the metropolis: at least 40,000 persons being rendered destitute of employ. The relative totals of ship-building in 1866 and 1867 were as follows for all parts of the kingdom: —

	Vessels.	Tons.
1866 . . .	2,734	736,499
1867 . . .	2,180	465,899
Decrease . . .	554	270,600

Facts and figures that require no further remarks to impress the discouraging character of the trade for the year. Ship-building on the Clyde — in respect to iron vessels — suffered less than at other ports, owing to the material being on the spot, and abundance of skilled labor at hand. The same may be remarked in reference to the ports in the north of England; while the Mersey suffered similar depression to that of the Thames district, owing to many foreign vessels having passed into British hands. The total registered vessels show an increase for the year 1867 over that of 1866. The registered tonnage, &c., were for

	Vessels.	Tons.	Men.
1867 . .	40,942	7,277,098	346,606
1866 . .	40,912	7,297,984	346,799

The chief source of the increase of vessels was due to the sale of many belonging to the United States to British owners. In the first eleven months of 1867, *British* shipping decreased to the extent of 378 vessels, but increased to the

[1] An Almanack for the Year of Our Lord 1869. By Joseph Whittaker. London. p. 367.

extent of 29,116 tons, *entered inward.* It increased by 1,309 vessels, registering 673,910 tons, *cleared outward;* while *Foreign* tonnage decreased in comparison with 1866 to the extent of 1,034 vessels, registering 120,543 tons *entered inward;* and increased 573 vessels, registering 160,990 tons, *clearing outward* with cargo. In respect to the value of British shipping, an improvement arose with a return of confidence in the money market."

That this stagnation of the ship-building industry of the Thames continues, and is complete and final, is attested by the London correspondent of the New York Times, who, in a recent letter,[1] says: —

"From the earliest dawn of British commerce down to 1860, the ship-yards on the banks of the Thames were preëminent in the Old World for the number and excellence of the vessels which were built upon their ways. All this is changed. Since 1860, their business has fallen off; and now a mournful scene of desolation greets a visitor to the once famous yards of Green, Wigram, Somes, and Young, all celebrated in their day as builders of the renowned Indiamen of the olden time. A few of their old frigate-built ships still live, and make their annual voyages to Calcutta; but, like the New York packet-ships, they are veterans, and are the last of their race. The great works and factories at Millwall, once occupied by Scott Russell, are dismantled and closed, the machinery sold, the factories tenantless, and the building-yard — the birthplace of the Great Eastern — a grass-grown waste. The adjoining yards and foundry of Mare & Co., and the London Engineering Company, are in the same condition as Scott Russell's yard. Samuda Brothers, builders of some eighty steamers, some of them the fastest vessels that plough the seas, are idle; and on all the Isle of Dogs, where a few years ago one could count sixteen to twenty large steamers, there are now four vessels only. One of the four is the double-screw monitor Abyssinia, for the British Government. The other three are fast steamers for the opium-trade on the coast of China; and these three opium smugglers are the only merchant vessels now building

[1] Dated Sept. 3; printed Oct. 11, 1869.

upon the once prolific Thames. At the Thames Iron Works, below Blackwall, — one of the most complete and extensive ship-building works in the kingdom, — I saw the double-screw monitor Magdala, which, with the Abyssinia, is to go out to Bombay, and remain there to defend that harbor, and two casemate iron-clads for the Sultan of Turkey, but not one merchant steamer. The Thames Company built most of the steamers in the Peninsula and Oriental Company's fleet, and have also built several steamers for the Royal Mail Company; but both companies have deserted the Thames for the cheaper yards on the Clyde, and this establishment, like those higher up the river, seems to be doomed.

"The prosperity of London as a ship-building port is at an end, and no one here looks for a revival of the business. All admit that they cannot compete with the cheaper iron, cheaper coal, and cheaper labor, of the Tyne and the Clyde. Henceforth, the ships and steamers required to carry on the vast sea-borne commerce of London will be built in the North. Even the old London ship-builders, who are also ship-owners, are now ordering vessels from their northern rivals, and a very large proportion of the tonnage now on the stocks on the Clyde and Tyne is for London owners, who long held to the belief that London was the only place in the world where a good ship could be built. In the principal docks, the changed character of the ships which now carry on the trade of London with distant ports is very marked. Twelve years ago, the East India trade with London was carried in London-built and American-built ships. More than one hundred of the latter arrived in London, from India, in one year; and it was no unusual thing to see a dozen or fifteen large American clippers discharging cargo in the East India docks. Alas! the East India docks know them no more! They have disappeared, and their places are filled by the iron and composite clippers of the Clyde and the Tyne. The downfall of the vast ship-building industry of London has been attended with wide-spread and bitter distress; many thousands of workmen have been thrown out of their accustomed employment, 'not for a day, but for all time.' Vigorous efforts have been made to obtain work for some of the yards for the sole purpose of

relieving the operatives; but it is now settled that nothing can be done, and many of the poor have been assisted to emigrate to the north and to the Colonies. The eastern builders, with only two or three exceptions, have abandoned the business of building, and only wait an opportunity to let out their premises to some more profitable industry."

The same correspondent, writing from Liverpool, at a later day,[1] says: —

"The fact that ships built of wood have greatly depreciated in value within the past ten years is amply confirmed by the present condition of the ship-building business of New Brunswick and the other British American provinces. Before iron ships came into general use, a large and thriving ship-building business was carried on at St. John's and other provincial towns. The new ships were sent over here, and sold at prices which paid their builders a satisfactory profit. Scores of such ships were sold in a single season at about £9 sterling per ton; but now a good new St. John's ship will not sell here for £5 sterling per ton: for there is no demand for them here, and the business of building large ships in British America is destroyed. The builders there are no longer able to compete with the British builders of iron ships, and they can no longer sell a new ship for a price which will cover the cost of construction. The destruction of ship-building in New Brunswick cannot be charged upon a high tariff or disordered currency, nor upon advanced rates for labor or other charges connected with ship-building. Materials and labor are cheaper there than they were ten years ago: and contracts to build ships are now offered at much cheaper rates than those which obtained when ship-building was a profitable pursuit. Ships entitled to a seven years' class at Lloyd's can now be contracted for at St. John's at £5 sterling per ton; but no one on this side of the water will take them, even at that low figure. The only business left to the New Brunswick and Nova Scotia ship-builder is the building of vessels of small tonnage to trade between the Provinces and the United States, and between the United States and the West Indies.

[1] Sept. 30; printed Oct. 30.

In both those trades, they compete only with the wooden vessels of the United States, and not with the iron ships and steamers of Europe."

Perhaps I ought not to close this chapter without alluding to the spirited and measurably successful attempt to naturalize the building of iron steamers at Wilmington, Delaware, by the Harlan and Hollingsworth Company. The Iron Age, lately constructed by them (and this is by no means their first vessel), is commended by good judges as a strong, swift, and every way serviceable, sea-going steamship of 650 tons, built at a cost of $ 85 per ton for the hull, and $ 15 per ton for the rigging; while the aggregate British cost of similar steamers is $ 94 per ton. The builders say that the Pennsylvania iron, which they use exclusively, is of better quality than its British rival; so that our plates are one-eighth thinner, while the Oak and Ash exclusively used for the wood-work are cheaper here than in England, and the aggregate cost of hull not $ 1 per ton higher than that of an equally good vessel built on the Clyde. The cost of rigging here is, however, forty per cent. greater than in Great Britain. I give these statistics as I received them, without inferring therefrom that the building of iron ships is soon to become an important and prosperous department of our National Industry.

The Hon. George Opdyke, an eminent Free-Trader, touched the corner of an important truth when he observed :[1] —

"It is a universal truth that the more populous a country becomes, the less of agricultural products will be exported from it, because it will require a larger part of them for home consumption. Increasing density of population always tends to develop the manufacturing, mining, and mechanic arts;

[1] Proceedings and Debates in the Constitutional Convention of the State of New York, p. 1443.

and, when the population grows so dense that it consumes more agricultural products than it produces, — like England, for example, — it necessarily becomes an importer of agricultural products and an exporter of manufactures. During the period of transition, the foreign commerce of a nation must gradually diminish."

We entered largely into the Ocean Steamship business some fifteen years ago, and persisted in it till our energies were absorbed in our great Civil War; but it proved a costly undertaking to our Treasury (by means of heavy subsidies for Mail service), and not very profitable to those engaged in it: so we have almost wholly ceased to run steamers to Europe; contenting ourselves with subsidized lines to China and Japan, also to Brazil, with smaller packets to Havana, the Isthmus of Darien, and a few points of minor importance. While we did run steamers to European ports, they encountered this obstacle to success: Most of the freight that could afford to pay steamship charges consisted of British, French, and German manufactures, shipped by the makers and their agents, who, very naturally, gave a preference over our vessels to those of their own countrymen, leaving our ships to run empty or to fill up with freight that did not pay their running expenses. This competition was so manifestly one-sided that our merchants were glad to abandon it.

What would exactly serve and suit our shippers and ship-builders would be Protection for our Navigating interest, and for nothing else. Give them foreign Iron and Copper, Hemp and Cordage, Anchors and Cables, free of duty, with a monopoly of our Coasting Trade, and a favoring discrimination in our Navigation laws and port-charges, and they might experience an instant enlargement of activity and revival of prosperity; but, if we had no National Debt, and no Tariff at all, but

the most absolute Free Trade, with our Labor far cheaper than now, as it naturally would be, the advantage would still (as Sir Morton Peto shows) be on the side of their British rivals, who have, through years of prosperous activity in the construction and use of sea-going steamers, accumulated a thousand facilities and labor-saving devices, which, along with experience, eminent skill, and aggregated capital, we have still to acquire and concentrate. Ocean steamers are still rapidly superseding sailing vessels; and those steamers are and will be mainly built and run by nations that produce a surplus of manufactures, and are constantly exploring the out-of-the-way corners of the earth for new markets wherein to sell them. For our country to rush into the establishment of lines of ocean steamships before largely protecting and extending her manufactures, would be like beginning to construct a house at the attic, and thence building downward to the foundations.

Our Ship-building and Navigation will revive, not before, but in consequence of, the firm establishment and prosperity of our Home Industry. Let us thoroughly develop our Mining and Manufacturing capacities, and their command of machinery and power will enable us to produce cheaply Wares and Fabrics now exported only by European nations, whose cheap labor and ripe experience give them advantages over us, but whom, under a wise policy, we shall yet overtake and pass, as we have already done in the production of Edge Tools, Ploughs and most Agricultural Implements, Nails, Pins, and a hundred articles of general utility and great value, but which — simply because they are made by ourselves, or at our own doors — do not figure in our Treasury Reports, and are not regarded as elements of our National Commerce and Wealth.

XVII.

CREDIT — ITS USES AND ABUSES — FOREIGN INDEBTEDNESS — OUR NATIONAL DEBT.

We are a young people, largely employed in the slow and rugged process of clearing away the primitive forest, breaking up natural prairie, building, fencing, draining, and in every way subduing and adapting the earth to the uses of civilized man. We are a sanguine people, with unbounded faith in our own capacity, and in the rapid growth of our country in population, wealth, and power. We are an aspiring, audacious people, and choose to direct rather than be directed. Our boys are eager to be men; our young men want to "get into business" forthwith. Being a people of yesterday, we have less accumulated wealth than we probably shall have centuries hence, or than the peoples of Europe have generally acquired. And, young as we are, intelligence and enterprise are quite generally diffused among us, so that we seek to achieve our industrial ends by the use of machinery, animals, steam, where ruder and more ignorant workers rely wholly or mainly on human muscle. We are epicurean, sumptuous, profuse, prone to ostentation, and reckless of expense. Too many of us shun productive industry, and seek subsistence, success, wealth, eminence, through Trade, Speculation, or one of the Professions. Hence, we require capital much faster than we create it, and are prone to run into debt. We ran into debt as colonists; we borrowed from France and Holland to sustain our War for Independence; and Shays's Rebellion and kindred disturbances were incited

by a general and agonizing pressure of debt. The Federal Constitution and Government, insuring greater stability and prosperity than we had previously enjoyed, enabled us to extend the sphere of our borrowing, and to incur mercantile and corporate as well as National obligations in Europe; to which State debts were soon added. When we had low tariffs, we incurred debts abroad; when the duties were raised, we left those debts unpaid, and sometimes incurred new. Thus we had gone on, until, at the outbreak of our Secession troubles, we were owing Europe, mainly in the shape of State, Railroad, and other corporate bonds, not less than Four Hundred Millions of Dollars.

In the first two years of the War we added little to this aggregate; for the first year, nothing. We continued to export Grain, Lard, and some Meats; we soon began to export Petroleum; our export of Cheese steadily increased; and we bought Fabrics less freely than we had previously done, partly because a novel and absorbing sensation had dwarfed the passion for dress and display; partly because our internal credit system had broken down, and rural traders, no longer able to replenish their stocks on credit, bought little or nothing. But, long before the close of our four years' struggle, we had established new credits, mainly through the sale abroad of the bonds representing our rapidly expanding War Debt, had suddenly enriched a large class through contracts and other operations, popularly grouped under the designation of "Shoddy," and had run heavily into debt for Army Blankets, Nitre, &c., &c., which we paid for mainly in bonds. Thus the last two years of the War saw our Foreign indebtedness largely increased, while its close found the shelves of our inland stores nearly bare of Fabrics, and their supply of Groceries very limited. Throughout the States lately domi-

nated by the Rebellion there was an absolute dearth of merchandise; while Cattle had been swept off and Implements destroyed or worn out during the progress of the contest. To fill up our stores with an average assortment, at least Two Hundred Millions' worth of Goods were imperatively required; while evidences of National indebtedness, diffused through purchases of supplies and the paying off of our armies, were cheap, abundant, and very widely sown. Our National credit, which had ruled low abroad throughout 1863 and 1864, was naturally much improved by the completeness of the National triumph, so that our bonds temporarily sold for more in Europe than they were worth (in gold) at home. Hence, in spite of the restraining influence of our Tariff, which had been once more rendered Protective in 1861, and was somewhat increased on sundry articles in 1864 and 1865, we imported heavily during the three years following the close of our struggle, though our crops (at the South especially) of exportable produce were quite light, and their prices much reduced by the return of peace. During the last year or two our National Industry has been more efficient, while the price of Cotton has been more remunerative to the grower; but we are in debt to Europe not less than One Thousand Millions of Dollars, about three-fourths of it in the form of National bonds or obligations; the residue almost wholly composed of State bonds and those of Railroads and other corporations. The annual interest on this vast burden cannot fall below Sixty Millions of Dollars in gold; and our Exports (including Specie) should overbalance our Imports by at least this amount.

But they do not; they rarely or never did; and it were bold to predict that, so long as Europe will trust us further, they ever will. Thus far, we pay our quarterly accruing coupons of interest by exporting and sell-

ing more bonds. About every fourth year, Europe has a short crop of Grain, and then we supply her needs largely at fair prices; but our great grain-growing districts are too remote and too far inland to enable us to compete on equal terms with the wheat-growers of Poland and of Southern Russia for the capricious markets of Great Britain and of France. Of Sugar, Rice, Wool, Metals, and nearly every Textile Fabric, we need all we produce and more too; our Exports are nearly restricted to a few bulky staples, — Cotton, Cheese, Lard, Bacon, Petroleum, &c., &c. We are constructing Railroads more rapidly and generally than we ever did prior to 1868; we are opening mines, building factories and furnaces, erecting houses, and converting forest and prairie into farms; and all these involve heavy present outlay to achieve prospective benefits. These all strongly tend to keep up the prices of every commodity, stimulate Imports, diminish Exports, and so to increase the sum total of our indebtedness abroad. We are adding not less than Two Billions per annum to our aggregate wealth; but we do this at the cost of increasing, by perhaps One Hundred Millions annually, the sum of our foreign debt.

We have an Irredeemable Currency, — that is, a Currency which is not exchangeable for the specie dollars it would seem to represent, unless at a heavy and capricious discount. By consequence, the nominal price of every commodity is from twenty to fifty per cent. higher than its *real* price, regarding coin as a standard. A barrel of Flour or a ton of Coal sold for $ 10 really brings but $ 7 to $ 8; so with all prices of Produce; so with the wages of Labor. Nothing is currently estimated at its real or specie value but Duties on Imports and the bonded National Debt.

There are those who fancy these illusory prices and

valuations advantageous to our Home Manufactures; I never could accept their premises nor comprehend their logic. A ton of Pig Iron that sells for $ 40 in currency really brings less than $ 30 when Gold is 135; the consumer who buys Iron rarely considers that whatever he produces or sells is estimated or priced by the same delusive standard, but fancies that Iron is dearer than formerly. The duties on Iron are considerably lower than those levied by the Tariff of 1828, of 1824, or even of 1816; but a Free-Trader adds 35 or 40 per cent. for difference in currency, and tells the farmer that Pig Iron now enjoys a Protection of $ 13 @ $ 14; whereas, it used to have but $ 10. Every little trickster who manipulates figures in the Importing interest will tell you that a certain duty is 20, 30, or 40 per cent. *in gold;* as though it were the least fraction more than exactly 20, 30, or 40 per cent. as the case may be: the value being given in gold as well as the duty; so that 20 per cent. is exactly one-fifth of the invoice value, and neither more nor less than if it were computed in currency. If an inflated, factitious, irredeemable Currency were favorable to the prosperity of Manufactures, then Hayti ought to be able to beat the world in manufacturing; for her Government paper currency is at a discount of 900 or over for one.

I firmly believe that our inflated Currency is injurious to Manufactures, as to every other producing interest, — that it were better for all who eschew speculation and try to live by honest industry if we were down on rock bottom this moment. I am not warring upon those who hold and teach that there might and should be a Paper Currency devised and adopted which should be irredeemable in coin, yet more beneficent than any we have yet had: I only insist that a Paper Currency should express on its face its true character, — should declare precisely

where, when, and in what medium it is payable, or, if not payable at all, should make manifest that fact. I am quite impressed with the arguments in favor of issuing $10,000, $5,000, $1,000, $500, and even $100 bills, drawing interest at the rate of $3\frac{65}{100}$ per annum (or one cent per day on each $100): so that a man who travelled with $50,000 in his pocket or trunk, at an average cost of $5 per day, might defray his expenses from the interest of his cash in hand. I believe we can and must ultimately devise the means of making our National Debt more fluid than it is, and that this would help us to reduce the rate of interest, and thus render the burden far less serious.

I am of that old-fashioned school which can see in a National Debt no National blessing, but the contrary, though some of its incidents may seem beneficent. We are paying about $125,000,000 per annum in gold as interest on our great National Debt, — more than Great Britain pays, though the *principal* of her Debt is to ours as 40 is to 25. If we could reduce the interest of our Five-Twenties alone from six to four per cent., the saving to the Federal Treasury would exceed Thirty Millions per annum, — a sum that, invested in a Sinking Fund, would pay off the last dollar of our Debt within the next forty years. In my view, a cardinal object of our National policy should be the funding of our redeemable debt at a low rate of interest at the earliest possible day.

To effect this, we must have an ample current Revenue, so as to be constantly buying up and cancelling evidences of National Debt. So long as we, in addition to paying our interest promptly and honestly, buy up Five to Ten Millions per month of the principal of our Debt, its market value must continue to appreciate, unless the holders be rendered apprehensive that Repudiation is likely to gain the ascendency in our Government and give

effect to some scheme for cheating the creditors of the Republic. This peril being dissipated or reduced to a minimum, our bonds should steadily appreciate, until we can easily fund the Five-Twenties at a far lower rate of interest than the six per cent. we now pay, and thus signally reduce the weight of our Debt. By that time, the difference between our Greenbacks and Coin should be wholly effaced, so that the former should be redeemed with coin when presented for payment at the Treasury, and our Currency be uniform in value with the number of dollars expressed on its face.

But this involves lower prices for Produce and for Goods, and will be strenuously resisted by multitudes, who find or fancy that they profit by inflation. Some of these are deeply in debt; others have property which they wish to sell at higher prices; many are involved in speculations which require an easy money market to insure an advantageous result. By all these and by others, Resumption will be fought step by step; and I shall be agreeably disappointed if Congress is not agitated, at an early period of the ensuing session, by a strenuous effort to arrest the purchases of Debt which Secretary Boutwell has so successfully inaugurated, and return to the hoarding practice — it were to dignify it overmuch to term it a policy — of Secretary McCulloch.

And one ready mode of assault on the National Credit is afforded by an effort to cut down the Tariff to what is called a *Revenue* standard. Though no Tariff framed avowedly for Revenue ever yielded nearly so much money as we are now realizing from a Tariff avowedly Protective, we shall be told that we may obtain as large an income from low duties on a few articles as from high duties on many, and a desperate struggle will be made to recast the Tariff on this assumption as an economic truth. This will be backed by every avowed or secret champion of

National dishonesty; for, while there are many Free-Traders who abhor Repudiation, there are not a dozen Repudiators in the country who are not vehement Free-Traders. Should this formidable combination triumph, the payment of the principal of our National Debt will be arrested, the funding of the Five-Twenties at a lower rate of interest, with consequent reduction of the public burden, will be rendered impossible, the resumption of Specie Payments will be indefinitely postponed, and the country will be doomed to flounder in an abyss of insolvency and discredit, until an aroused and enlightened public sentiment shall hurl from power the authors of these wanton, pervading disasters.

There is an opposite course, infinitely wiser and safer, which I trust will be taken or persisted in; whereof the outlines are as follows: —

1. Sternly resolve that we will persist in paying our National Debt, and every fraction of it, precisely as we agreed to pay it, — as we were understood to stipulate at the time of contracting it, — and thus establish our credit so firmly that capitalists will be eager to lend us the means of redeeming at a far lower rate of interest the obligations on which we are now paying six per cent., and on which the right of redemption has already accrued or will soon be unquestionable.

2. Resolutely set apart and consecrate every dollar we thus save, to be devoted to the payment or purchase of principal of our National Debt, in addition to the "one per cent. per annum" which we are already pledged to pay by the Legal Tender act of 1862.

3. Make no changes in the essential provisions of our existing Tariff; correct from time to time any discrepancies or errors of detail that may be discovered; but leave it so that it will yield about the amount of revenue we are now receiving from it, and appropriate the sur-

plus inflexibly to paying interest and principal of the Debt.

4. Reduce our internal imposts or excise on Whiskey, Tobacco, and other articles heavily charged, whenever it is proved that we may do so without loss of revenue, but retain them at a figure high enough to defray the current cost of supporting the Government after the Income Tax (which expires by limitation next year) shall have ceased to be productive.

5. Maintain in prosperous activity all the industrial pursuits we already possess, and endeavor to extend our production of Iron, Gold, Silver, Copper, and other Metals, while encouraging and extending the production on our soil of Tea, Sugar, the Grape, the Olive, &c., &c., with no expectation of supplying *all* our wants from domestic sources, but with a resolute, firm, intelligent purpose that our Exports shall soon be made to overbalance our Imports, so that we may cease transmitting to Europe bonds which are really mortgages on the industry and products of our grandchildren, and begin to call back and pay off the large amount we already owe there, with intent that the close of this century shall find us out of debt as a Nation and out of debt to Europe as individuals, companies, or States.

Such are the outlines of a policy which commends itself to my understanding as honest, beneficent, conducive to National solvency, and truly American.

I believe that it will take us gradually and surely back to Specie Payments; but I do not imagine that it would restore us the low prices of forty, of twenty, nor even of ten years ago. The enormous production since 1848 of Gold and Silver in California, Australia, and elsewhere, has permanently increased the volume of the world's currency, and thus enhanced the money price of almost every description of property: blot all paper

money out of existence, and still prices would usually range higher than they were twenty years ago. But we have lately incurred a great Debt, involving heavy taxation; and such a Debt of itself strongly tends to enhanced prices, as Great Britain, Holland, and (more recently) France, amply attest. The general range of prices is and must be higher in a country largely indebted and heavily taxed than in that same or any similar country which owes but little or nothing, and is taxed accordingly. Destroy all the specie that has been mined or worked out since 1848, close up the mines, and still prices would be higher with us than they were prior to our late Civil War.

Yet the habits and impulses of a people are not easily modified, while they are rarely and with great difficulty transformed. The fact that three-fourths of us would incur debt if any one stood ready to lend, and, if already in debt, would like to plunge in still deeper, is the fundamental difficulty of our financial position. The poor man would like to buy a farm or start a shop or store on credit; if he has already a place whereon to stand, he wants a better house, or a new barn, or a convenient wood-lot, or some more efficient machinery, — in short, he wants to incur debt; and he may sometimes effect this by paying for his new purchase and letting his account at the store run on; but all comes to one end: more debt in the country, and more debt from this country to Europe. Whenever we make a new railroad or erect a factory or furnace, we look around to see where the money can be borrowed on mortgage to pay for the materials at least, and as much more as possible. And, so long as this shall be the case, we shall make poor headway in paying off debt, public or private. Our prevalent, overruling tendency pulls in the opposite direction.

The practical remedy lies not in vain attempts to stop the construction of railroads, the erection of buildings, the opening of mines, the multiplication of factories, the improvement of farms. All these must and will go on, unless we madly arrest them by breaking down the Protection of our imperiled Industry. Progress is the law of our National life; arrest it, and the weight of our public burdens will crush either our solvency or our National integrity. And, to my mind, while the dissolution of our Union, through the triumphant establishment and recognition of the Southern Confederacy, would have been a National misfortune, the Repudiation of our National Debt would be a still greater and more deplorable calamity. Any true father would much prefer that his son should become a needy bankrupt rather than a rich villain: so I would regard the failure to pay our Public Debt, promptly and fully, as beyond comparison more disastrous than a division of our country.

We must crush Repudiation as we have discomfited Secession. We must stop the increase of our European as we have already stopped the total increase of our National Debt; we must begin to reduce and pay off the former as we have already begun to reduce and pay off the latter. We must do this, not by ceasing to construct and repair and improve, but by more fully employing our Labor in downright Production and by extending and rendering more efficient our National Industry. We must grow more Grain, Grass, Vegetables, and Fruits: we must extend our Manufacturing and Mechanical Industry in order to furnish ample Home Markets for the thus augmented produce of our farmers. Take ten thousand people who live from hand to mouth by occasional fishing or hunting, doing odd jobs of work for others, having a cow per family running in the road and a pig picking up a living as he may, with a patch

of poor garden by every other shanty, and gather these same ten thousand into a manufacturing village, set them steadily at work, and now they will purchase and use twice as much food, clothing, furniture, &c., as they did or could before. Thus, every new furnace or factory built or old one started up, insures a large addition not merely to the National production and wealth, but to its consumption as well.

And this good work is now rapidly proceeding. There is hardly an old furnace in the Union that has not increased its capacity and its product within the last year: while hundreds of new ones have been constructed and set to work, or are now in process of construction, in the South, in the West, and in almost every quarter of the Union. Missouri now supplies Pig Iron to Pittsburg, and is rapidly increasing her production; Tennessee, old Virginia, West Virginia, and North Carolina, have put several new furnaces into blast, and are preparing to increase the number; Pennsylvanians have just been buying Iron mines not only in these States, but even so far South as Alabama; Oregon has been supplying the San Francisco market with Charcoal Pig of a good quality; while Illinois (a recent beginner) is making largely at Chicago, and Indiana is putting up great furnaces at her capital as well as near Greencastle, and boasts the possession of thousands of square miles of Coal better adapted to Iron-making than any other in the known world. She confidently counts on making Iron at once cheaper and better than the best that Pennsylvania can exhibit; and, while her sanguine expectations will probably be sobered by experience, her effort will doubtless exert a wholesome influence on the Nation's prosperity and on her own political sanity.[1] If a thousand new

[1] The last effort to render the Tariff more efficiently Protective received no single vote from Indiana in either House.

furnaces and factories, giving employment, directly or indirectly, to Half a Million persons, were to be put in operation within the next three years, while Three or Four Hundred Millions would thereby be added to our annual product of Metals and Fabrics, I am confident that our Agricultural Produce would be increased rather than diminished in consequence, — that more hands would be incited to grow Vegetables and Fruits for the new manufacturers than would be withdrawn from grain-growing and cotton-raising; and that the sum total of the product of those factories and furnaces would be a clear addition to the wealth of our country and to the elements of comfort enjoyed by the human race.

Note. — The fact that the planting of Manufactures in a district or county uniformly and speedily induces an improved system of Agriculture in that district, may be verified by any observer who travels through our Middle or Southern States. Throughout most of New England, a pervading sterility or ruggedness renders thorough, effective cultivation difficult, if not quite impossible. Half a dozen ridges of partially naked granite, a dozen knolls or swells of mingled stones, pebbles, and gravel, separated by narrow strips or belts of barely arable soil from the wider bogs or marshes, across which lie similar strips and ridges, almost defy the power of man to reduce these to spacious and facile fields whereon grain can be profitably grown. The face of the country is too seamed and *patchy* for any but a petty, garden-like cultivation. New England has of course some rich, inviting glades and intervales; but, as a whole, her soil does not favor nor invite a generous, scientific cultivation; and, in spite of her high prices for food, most of her grain must henceforth be grown on other fields than hers. Farther south and west, however, the planting of Manufactures in a district is inevitably and speedily followed by a manifest and palpable increase of Agricultural production and thrift on every side.

XVIII.

WHAT HAS BEEN ELUCIDATING WHAT SHALL BE.

NOTHING can be truer than that the Future is mirrored in the Past, so that only a keen, clear, searching vision, undistorted by prejudice, unclouded by prepossession, is needed to read aright its lessons and deduce their moral. If Protection has hitherto impoverished and weakened our country, then it will almost certainly, if persisted in, do so hereafter. If our population, production and wealth, are now less than they would have been had no impost ever been levied upon foreign products at our frontiers with intent to encourage the production of like articles on our own soil, or with the effect of rendering such encouragement, then it were irrational to expect such results from Protective legislation in the future. Tennyson aptly makes the sage and thoughtful Ulysses say, in the ripe fulness of his eventful, observant career: —

> "I am a part of all that I have met;
> Yet all experience is an arch wherethrough
> Gleams that untravelled world, whose margin fades
> Forever and forever when I move."

The Evening Post has fairly earned the position of leading exponent and champion of Free Trade in the New World. It has won that preëminence by courage, consistency, and signal ability. It has never trimmed, nor prevaricated, nor pretended that the difference between Protection and Free Trade is ideal or illusory, nor has it permitted considerations of party expediency or party success to affect its attitude or muffle its voice.

The Post has an established character and an honorable history; and, whatever its occasional errors of fact or inference, I will not doubt that its course on this subject is impelled by conviction and guided by principle.

In its issue of August 27, The Post, discussing the effect of our present Tariff on Wool and Woollens, forcibly says: —

"The author of the 'Positive Philosophy' was the first writer on modern science to give verification its true place in scientific processes. He showed clearly that the test of every conclusion in science is *prediction;* and that the claim of any doctrine to a truly scientific character is its proportion to the accuracy with which it enables those who understand it to foretell the results under known conditions. Economical science accepts the test as fully as Chemistry, and its processes, though never complicated, are, when complete, not a whit less trustworthy."

Concurring fully in this averment, I propose to test the soundness of The Post's Political Economy by copying from its columns the predictions from time to time made by its editors of the deplorable consequences certain to result from our country's adhesion to the Protective policy, and contrast those doleful prophecies with the cheering results actually realized.

Though Protection to Manufactures had been declared in its preamble one of the purposes of the first Tariff framed and passed under the Federal Constitution, and though Protection had been incidentally regarded and affirmed in nearly every modification of that Tariff, and though the Tariff of 1816 was made undeniably and stringently Protective in its duties on Cotton Fabrics and on some manufactures of Iron, it was not till 1820–22 that a revision of the Tariff in the interest of Protection alone was sought for, and not till 1824 that a measure of unqualified Protection passed both Houses,

and, being approved by the President, became a law of the land. The Evening Post, after insisting that manufacturers, alike with farmers, traders, and all other classes, were interested in the defeat of this measure, proceeded to say : [1] —

"Pass the Tariff, as reported by the Committee, and you palsy the nation. Pass it, and where will you any longer find occupants for your costly piles of stores and dwelling-houses? Pass it, and who will be exempt from its grinding operation? The poorer classes especially must feel its effect in paying an additional price for every article of clothing they and their families wear, and every mouthful they eat or drink, save cold water; and to that will they erelong be reduced. If nothing short of the general voice of the people will satisfy Congress that they can not and will not submit to this report, so pregnant with incalculable mischief, so mistaken and inconsiderate, let means be taken without delay to procure it, and it will be given in a tone and manner that will not be disregarded."

The bill so execrated by The Post *was* passed, in defiance of its fulminations; yet the Nation was not palsied; our City grew thenceforth as it had never grown before, finding ample "occupants for its costly piles of stores and dwelling-houses" at higher rates than had previously ruled. The "poorer classes" did not (unhappily) confine themselves to cold water as a beverage; and, so far was "the general voice of the people" from condemning the measure, that the Tariff of 1824 stood unchanged until superseded (in 1828) by one decidedly higher and more Protective. The "tone and manner" of the Free-Traders were as arrogant and conceited as usual; but the great body of the people only laughed at their lofty airs, and persisted in calling for the maintenance and increase of Protection.

[1] February 3, 1824.

Two propositions have ever proved stumbling-blocks to economists of The Post's school: 1. That the producers of Wares or Fabrics may be benefited by Protection, though its effect be to reduce rather than enhance the price of their products; 2. That increased Protection may secure increased revenue from Duties on Imports. Dr. Cooper, then President of South Carolina College, was then a leading pamphleteer against Protection, and The Post [1] admiringly quoted him with commendations,[2] as follows: —

"But it is not against the merchant and agriculturist in those specific capacities and characters that this monopoly makes war, but it is against our national resources, against our revenue also. Annihilate, however gradually, your custom-house duties, and you must recur to direct taxation or to excise. I have no time to dwell on the insuperable objections that lie against both these measures in their details; but I would ask what finance minister among us will be driven to the one of these execrated resources or to the other? Let the manufacture-monopoly speculators succeed, by hardihood of assertion and unbounded promise, which they can give no pledge to perform, and I ask where will you find a competent Secretary of the Treasury? I say a competent one; for I am persuaded no man of good sense will incur the difficulties and the responsibilities of that situation under a system of direct taxation, and an army of excise officers, unless from an extravagant love of power and appointment."

To the same effect, The Post,[3] in printing the speech of Mr. Churchill C. Cambreleng, then a Representative of our City in the House, paraphrases and indorses his views as follows: —

"Remember, it is stated by our able and faithful representative, whose speech is this evening republished, that it appears from Treasury documents that, if the purposes of the Committee be accomplished and the dreaded measure adopted,

[1] February 4, 1824. [2] February 3, 1824. [3] March 3, 1824.

a very considerable portion of the revenue connected with manufactures, and amounting last year to upward of *eight and a half millions* of dollars, will thereby be extinguished. But the Treasury must nevertheless be supplied to the same amount from some other source; and what remains for us but to resort to direct taxation? Are you, fellow-citizens, ready for that? Are you prepared for an impending evil like that?"

The Post was a faithful follower of its leader and teacher. Mr. Cambreleng, in the speech simultaneously published by it, had argued that the object of the bill was Prohibition, — that it must have that effect or none, save a needless and fruitless increase of the public burdens, — and he proceeds: —

"According to a statement which I have prepared from Treasury documents, it appears that the manufactures designed to be protected by prohibitory duties yielded, in the year ending September 30 last, a revenue of $ 7,337,256; that other articles, partially manufactured, or forming raw materials for manufactures, yielded in the same year $ 913,969, and that the agricultural articles yielded $ 278,736; making altogether $ 8,529,961 of revenue.

"It is evident that, if the purposes of the Committee be accomplished, a very considerable portion of the revenue must be extinguished. In any event, our revenue system will be seriously injured by this measure."

At a City Meeting held to oppose the passage of the Tariff, Mr. Gulian C. Verplanck,[1] set forth the objects proposed, and submitted the resolves, which were unanimously adopted, with the heartfelt sympathy of The Post. Here is the first of them: —

"*Resolved*, That it is evident that the measure will be deeply injurious to the National Revenue, which, under the operation of the existing Tariff, is collected through the Customs (nearly one-half at this port alone), at a very small expense, and with great punctuality, yielding to the Govern-

[1] March 4, 1824.

ment means amply adequate to the National Expenditure, to maintain and gradually increase the Navy, sustain a sufficient Army, and not only to discharge as it becomes due, but to anticipate, the reimbursement of a large amount of the Public Debt."

On no point were the Free-Traders of that day more unanimous or more vociferous than on this, — that Protection to Home Industry must inevitably destroy or greatly reduce our Revenue from Duties on Imports, and compel a resort to Direct Taxation for the support of the Federal Government. This was a catastrophe incessantly flashed before the eyes of the People, vexing the souls of landholders and farmers with a prospect of double taxes on their freeholds, rendering it impossible to sell or even give them away. And yet the receipts from Imports (as I have already shown) were $86,357,852 in the four years following 1824, against $64,688,254 for the four years preceding, — a net increase of more than Twenty Millions of Dollars under the Tariff which, according to The Post and its coworkers, could not fail greatly to diminish the Revenue from Imports and compel a resort to Direct Taxes!

In 1828 the Tariff was still further increased, and rendered still more Protective, in defiance of the diatribes and doleful prophecies of The Post and its confederates; yet the Revenue from Imports was still further swelled, during the ensuing four years, to $97,294,036, — over *Thirty-two Millions'* excess over the four years preceding The Post's and Messrs. Cambreleng and Verplanck's positive assertions that Protection would dry up our Revenue from Customs and compel a resort to Direct Taxation!

The passage of this Tariff was a direct consequence of the satisfaction with which the great mass of our people regarded the operation and effects of the Tariff

of 1824. They had tried a measure of moderate but unequivocal Protection, and they felt that it had redounded to their signal advantage and benefit. Labor was in more general demand and commanded better wages than prior to 1824; embryo Patersons and Lowells were springing into existence and activity in different sections, and affording to the farmers convenient and eager markets for Fruits, Vegetables, Fuel, &c., &c., which would not bear transportation to distant seaports, much less to Europe; prosperity and thrift were generally replacing the National collapse and bankruptcy which everywhere followed the enormous importations of 1815–16; in short, the country felt that Protection had drawn it nearly out of a deep slough, and was inclined to double the team. Hence the Tariff of 1828, for which there was no pretext of inadequate Revenue or unsatisfactory Finances. Its object, avowedly and palpably, was Protection alone.

The Post, originally Federal, was now a Democratic organ: that is, it supported General Jackson for President, and the party in this State whereof Martin Van Buren was the chief. He had recently made at Albany a speech on the Tariff question which did not clearly define his position; but, when the question came to an issue in the Senate, he cast his vote *for* the bill, as did his devoted adherents, — Michael Hoffman, Jonas Earll, Silas Wright, Selah R. Hobbie, John Magee, and others, — in the House, where the State of New York gave 27 votes for to 5 against the bill. Pennsylvania, Ohio, Indiana, and Kentucky — each about to vote for General Jackson as President — gave their every vote for the bill; the Carolinas, Georgia, Alabama, Louisiana, and Tennessee, their every vote in the House against it. Massachusetts, Maine, and New Hampshire went against the bill; Vermont and Connecticut for it. The bill

passed the House by 105 Yeas to 94 Nays, and the Senate by 26 Yeas to 21 Nays. Most of the supporters of Mr. Adams's Administration voted for the bill, with a majority of the Jackson Democrats from the Free States; the Slave States voted pretty solidly against it, though among the votes in the Senate for the bill were those of Thomas H. Benton, of Missouri, Richard M. Johnson, of Kentucky, and John H. Eaton, of Tennessee.

When the news that this Tariff had passed reached Charleston, S. C., the British vessels in port displayed their flags at half-mast, — an indecent interference with the legislation of an independent country which was rebuked even by The Post. At Portland, Maine (as The Post quotes from The Eastern Argus), "the bells were tolled; the flags of the shipping were put half-mast high; and processions were formed and marched through the town of persons whose daily bread is earned by the occupations of Commerce, followed by emblems of suspended industry and decaying trade," — demonstrations which The Argus seeks to use to the prejudice of Mr. Adams's reëlection, but declares "not confined to any political party, nor did they have their origin in party considerations. They sprung from a sense of the deep and, it may be feared, lasting injury inflicted upon this town, and this part of the country."

The Post fought this bill, both before and after its passage, with characteristic vehemence. It quotes[1] with approbation, from The New Haven Herald, a prophetic declaration that —

"To the shipping and commercial interests of New England, — and especially to those of Maine, Massachusetts, and Connecticut, — it is nearly an act of annihilation, which *paralyzes industry, destroys revenue*," &c., &c.

"As was justly remarked by a gentleman from Maryland,

[1] May 21, 1828.

'The recklessness with which this law proposes to *scuttle ships* is only surpassed by the ferocity with which it resolves to *slaughter sheep*.' Already was every bolt, rope, and nail, used in ship-building, taxed to the utmost farthing that Commerce could bear; and yet they have gone on inventing new sources of imposition."

The Post, commenting on the above, says: —

"New England had the benefit of the Tariff of 1824; and it is proper that she should bear the burdens of the Tariff of 1828. Our City, however, bears the burdens of both, without sharing the benefits of either. . . . . The following words were seen yesterday chalked upon the walls of our Custom House in large letters, — the work, probably, of some anti-Tariff wag: '*This House to let. Inquire at Washington.*'"

The Post asserts[1] that the bill, as reported, "with respect to many articles, is equivalent to a non-importation act"; and again[2]: —

"For our own part, we look upon the bill as a great piece of absurdity; but it at least has the merit of being consistent with itself, and of carrying fearlessly into practice the doctrines in favor of which the manufacturers have attempted to produce so much excitement. If we must be loaded with the Tariff system, we prefer to take the whole at once, instead of being saddled with its burdens one after another. If the whole extent of this evil is felt at once, it will be shaken off the sooner by the nation, than if we are accustomed to it gradually."

The Post,[3] announcing the passage of the bill to a third reading in the Senate, regards its impulse as political (in view of the Presidential election then pending), and adds: —

"It is a melancholy commentary upon the public virtue of our legislators that, under these circumstances, they should not have yielded to what must have been the convictions of their own consciences and understandings, and boldly put a

[1] February 4, 1828. [2] February 13. [3] March 15.

decided negative on a bill which must so fatally cripple our commerce, and bring ruin upon so many individuals now pursuing their occupations under that pledge, which results from the nature of a free government, that their rights shall not be sacrificed for the emolument of others."

The bill at length passed,[1] and The Post, in a leading article thus forecast what it believed must be the consequences of the measure: —

"The Tariff bill, as amended by the Senate and published in The Evening Post, on Friday last, has now passed the House of Representatives, and ere this has probably received the signature of the President, and become a law of the land. It remains for us to witness its practical effects upon the commerce and revenue of the country, — to see how much Agriculture will be promoted by it, — whether the farmer will be enabled to sell his crops of wheat for more money, and whether he will not be obliged to pay a larger advance upon every article of woollen clothing he purchases, either to the importer or the manufacturer. Already, the prices of woollen goods have advanced in the market by an amount more than equal to the additional duties, which on some descriptions are upward of a hundred per cent. We know very well how difficult it is to predict with certainty what will be the operation of any bill for the protection, as it is called, of any article produced in our own country. We hesitate not to say, however, that the present Tariff act, deeply as it must injure the fair and regular commerce of our country, will not be attended with those advantages to the manufacturers which they expect. Take the case of woollens, — suppose the operation of the new duties to raise, as was the intention of the makers of the act, the price to the consumer. The effect of this will be to increase the temptation to illegal trade, and the goods will be introduced *without duties*. This is an element of the calculation which the friends of the manufacturers have scarcely taken into account, and which it is evident will make an immense difference in the result. The improvements which have been recently introduced into the manufacture of

[1] March 19, 1828.

woollens in Great Britain have surprisingly lessened the cost of fabrication, so that the prices of these goods in the English market ten years ago furnish no criterion whatever for judging of their present prices. Here, then, is an article so cheap in Great Britain, and so expensive at home, as amply to compensate all the risk which the smuggler may incur in bringing it into this country, with the aid of the advantages afforded by our immense sea-coast and long inland frontier. There never has been any lack of enterprise of this sort either in this country or in any other, where the inducements held out are sufficient, — and this bill, we repeat, offers a most splendid temptation to the smuggler. Our country *cannot* enforce the prohibitory system. In order to do it, it would be necessary to maintain on our frontier an army of custom-house officers, clerks, spies, and runners, large enough, were they soldiers, to conquer the British American provinces. The consequence will be, that the law will be evaded, and the country will be filled with goods smuggled across the Northern and Northeastern boundary. Whatever may be thought of the morality of smuggling, it is certain that conscientious scruples on this point are never prevalent where much is to be gained by it. There are persons enough engaged in commerce who can make the distinction between what is *malum prohibitum* and what is *malum in se*, with as much acuteness and nicety as the most experienced barrister, and who look upon the breach of a revenue law as a very different thing from a breach of the Ten Commandments. Nor is there any lack of ingenuity or activity to carry enterprises of this kind into effect. We shall probably have *factories* established along our inland frontier in which *American cloths* will be manufactured with a magical facility and cheapness and excellence of finish, and from whose prolific looms they will be distributed all over the Union. Quebec, Montreal, and other ports of the British colonies, will become the centre of the woollen trade which has been diverted from New York and the other ports of the United States; the fair trader will be ruined, and the smuggler encouraged and enriched.

"In this state of things, what will become of the manufacturer? We may expect similar consequences from the law

of 1828 to that which followed the law of 1824. The supposed advantages offered by the bill will induce multitudes to invest their capital in the woollen manufacture; the competition will be too great for the business; and in two years we shall hear the same cry of embarrassment, distress, and ruin, that we began to hear two years ago. But the competition which the manufacturer will have to encounter will not be confined to those of his own occupation. There is another kind of competition which will never decline of itself, and against which Government cannot protect him, — the competition of the smuggler.

"To show what a munificent temptation the new act holds out to the practice of smuggling, a mercantile friend has made a computation, by which it appears that, upon its going into effect, the saving on two suits of broadcloth made at Montreal would be sufficient to defray the expenses of a journey from New York to that city.

"In the mean time, as the bill is to go into operation on the 30th of June, great injustice will be done in the case of vessels with cargoes of woollen goods purchased before the passage of the act, or before receiving news of its passage, and which may arrive after the 30th of June. The act contains no clause remitting the new duties on such cargoes, or giving the Secretary of the Treasury any discretion to remit them. The cargoes, having been purchased under the idea of paying a different set of duties from those now imposed, cannot be imported here without a ruinous sacrifice to the owners. They must, therefore, be sent at great loss to the ports of some other country. Several cargoes, we understand, have been purchased under these circumstances on account of New York owners, and which it is thought will not arrive until after the law takes effect."

"Thus do the legislators of the nation violate those rights of property which the letter of the Constitution professes sacredly to protect. Men are driven by force of law from their regular occupations, undertaken upon the faith of existing laws, and a shock has been given to all regular business which will be felt throughout the nation. It is difficult to describe the indignation which this rash, impolitic, and pernicious measure has excited in this community. While we

write this, we are informed that the colors of the shipping in this port are displayed at half-mast, in token of mourning for this act of national folly.

"It is but a few years since, that a public meeting of the inhabitants of New York was called to afford relief to the wretched and starving manufacturers of Great Britain. The framers of our laws are now endeavoring to transplant into the United States the very system from which arose the evils that then so loudly called for sympathy."

Here it will be seen that The Post, while affirming the futility of prediction in general, does yet confidently affirm several important and deplorable consequences as certain to result from the enactment of the Tariff of 1828, in addition to the general prostration of Commerce and diminution of Revenue on which it had already so often insisted; viz.: —

1. The importation especially of Woollens would pass almost entirely out of the hands of duty-paying merchants into those of duty-evading smugglers, who would establish sham factories along the Canada frontier, and produce goods with magical facility.

2. Our manufacturers, thus disappointed in their hopes of advantage from the Tariff, would, within two years, be clamorous for a further increase of duties.

3. A sudden and vast increase of our manufacturing investments and enterprises was inevitable, which would soon afflict us with a "wretched and starving" multitude of would-be operatives, living from hand to mouth, often on the meagre dole of public charity.

Now, we have already seen that our Revenue from Imports, which had shown an increase of Twenty Millions in the four years following the adoption of the Tariff of 1824, as compared with the four years preceding, was still farther increased some Eleven Millions in the four years following the passage of the Tariff of 1828, in which the aggregate exceeded that of *any* pre-

ceding four years, if we except 1816, wherein our country was so disastrously flooded with foreign products to fill the vacuum induced by our War with Great Britain, during which our coast was in good part blockaded and our foreign trade nearly arrested. I have also shown that our ship-building, instead of having been prostrated by this or the preceding Tariff, was actually increased under their sway. I propose now to show how our legitimate Foreign Commerce was affected by these enactments, by citing the officially reported totals of Exports and Imports prior to and under those Tariffs respectively: —

Years.	U. S. Tonnage.	Total Exports.	Total Imports.
1817 . . .	1,399,912	$ 87,671,569	$ 99,250,000
1818 . . .	1,225,185	93,281,133	121,750,000
1819 . . .	1,260,751	70,142,521	87,125,000
1820 . . .	1,280,167	69,691,669	74,450,000
1821 . . .	1,298,958	64,974,382	62,585,724
1822 . . .	1,324,699	72,160,281	83,241,541
1823 . . .	1,336,566	74,699,030	77,579,267
1824 . . .	1,389,163	75,986,657	80,549,007
1825 . . .	1,423,112	99,535,388	96,340,075
1826 . . .	1,534,191	77,595,322	84,974,477
1827 . . .	1,620,608	82,324,827	79,484,068
1828 . . .	1,741,392	72,264,686	88,509,824
1829 . . .	1,260,798	72,358,671	74,492,527
1830 . . .	1,191,776	73,849,508	70,876,920
1831 . . .	1,267,847	81,310,583	103,191,124
1832 . . .	1,439,450	87,176,943	101,029,266

No returns, within my knowledge, of the declared value of Woollen Fabrics imported in those years are extant; but, as our Imports from Great Britain were (and are) mainly of Metals, Wares, and Fabrics, whereof the home production is protected by the Tariffs of 1824 and 1828, I compile[1] the following aggregates of our Im-

[1] From Pitkins's Statistical View; edition of 1835; p. 266 - 290.

ports of the products of England and Scotland for these years, so far as I can find them: —

Years.	Declared Value.	Years.	Declared Value.
1821 . .	$ 24,400,954	1828 . . .	$ 32,100,169
1822 . . .	33,900,263	1829 . . .	24,916,978
1823 . . .	27,387,403	1830 . . .	24,137,881
1824 . . .	27,656,442	1831 . . .	43,832,153
1825 . . .	36,100,974	1832 . . .	36,429,374
1826 . . .	25,458,975	1833 . . .	37,693,544
1827 . . .	29,736,984		

It will be noted that the Wares and Fabrics smuggled in through Canada or otherwise are not included in this exhibit.

Now, it is well known that I do not measure the growth or thrift of a people by the volume of its tonnage or of its foreign trade. If all our Grain were regularly shipped to England, there ground and baked into bread, whereof two-thirds were returned for our use, we should have more ships and more foreign commerce than now, involving a large increase of our Exports and Imports, but a diminution of our independence, comfort, prosperity, and wealth. I do not hold that Protection immediately increased either our Tonnage or our Foreign Trade, as I am confident it *did* increase our Industry, our Revenue, and our Wealth. But I cite the official returns above to contrast them with the doleful prophecies of The Evening Post. Of course, whatever foreign goods were smuggled in across our Canada or any other frontier do not figure in our official totals of annual Imports, nor did the bulk of them give employment to American vessels; while it is probable that there was some harder swearing at our Custom-Houses to evade the enhanced duties of 1824 and 1828 than there had been under the lower rates prescribed in 1816; and this tells in favor of The Post and its prophecies; but it cannot

save them. Our foreign fabrics were *not* mainly smuggled in across our frontier under the Tariff of 1828. Our Northern border was *not* dotted with sham factories, established to cloak the operations of smugglers by pretending to fabricate the goods those model Free-Traders juggled across the boundary; our manufacturers were *not* desperate and clamorous for more Protection in 1830; and our country was *not* cursed with a wretched and starving populace by reason of the Tariff of 1828. In short, there is not a single point on which the results of that measure were not in glaring contrast with The Post's confident and dolorous predictions.

In 1832 the Tariff was slightly modified adversely to Protection, when Mr. Clay, addressing the Senate, truthfully and forcibly said: —

"Eight years ago it was my painful duty to present to the other House of Congress an unexaggerated picture of the general distress pervading the whole land. We must all yet remember some of its frightful features. We all know that the people were then oppressed and borne down by an enormous load of debt; that the value of property was at the lowest point of depression; that ruinous sales and sacrifices were everywhere made of real estate; that stop-laws, and relief laws, and paper money, were adopted to save the people from impending destruction; that a deficit in the public revenue existed, which compelled Government to seize upon, and divert from its legitimate object, the appropriations to the sinking fund to redeem the national debt; and that our commerce and navigation were threatened with a complete paralysis. *In short, Sir, if I were to select any term of seven years since the adoption of the present Constitution which exhibited a scene of the most wide-spread dismay and desolation, it would be exactly that term of seven years which immediately preceded the establishment of the Tariff of* 1824.

"I have now to perform the more pleasing task of exhibiting an imperfect sketch of the existing state of the unparalleled prosperity of the country. On a general survey, we

behold cultivation extended, the arts flourishing, the face of the country improved, our people fully and profitably employed, and the public countenance exhibiting tranquillity, contentment, and happiness. And, if we descend into particulars, we have the agreeable contemplation of a people out of debt; land rising slowly in value, but in a secure and salutary degree; a ready though not extravagant market for all the surplus productions of our industry; innumerable flocks and herds browsing and gambolling on ten thousand hills and plains covered with rich and verdant grasses; our cities expanded, and whole villages springing up, as it were, by enchantment; our tonnage, foreign and coastwise, swelling and fully occupied; the rivers of our interior animated by the perpetual thunder and lightning of countless steamboats; the currency sound and abundant; the public debt of two wars nearly redeemed; and, to crown all, the public treasury overflowing, embarrassing Congress not to find subjects of taxation, but to select the objects which shall be liberated from the impost. *If the term of seven years were to be selected, of the greatest prosperity which this people have enjoyed since the establishment of their present Constitution, it would be exactly that period of seven years which immediately followed the passage of the Tariff of* 1824.

"This transformation of the condition of the country from gloom and distress to brightness and prosperity *has been mainly the work of American legislation fostering American industry, instead of allowing it to be controlled by foreign legislation, cherishing foreign industry.* The foes of the American System, in 1824, with great boldness and confidence, predicted, first, the ruin of the public revenue, and the creation of a necessity to resort to direct taxation; the gentleman from South Carolina [General Hayne], I believe, thought that the Tariff of 1824 would operate a reduction of the revenue to the large amount of eight millions of dollars; secondly, the destruction of our navigation; thirdly, the desolation of commercial cities; and fourthly, the augmentation of the price of objects of consumption, and a further decline in that of the articles of our exports. Every prediction which they made has failed, utterly failed. *Instead of the ruin of the public*

revenue with which they then sought to deter us from the adoption of the American system, we are now threatened with its subversion by the vast amount of the public revenue produced by that system. As to the desolation of our cities, let us take, as an example, the condition of the largest and most commercial of all of them, the great northern capital. I have, in my hands, the assessed value of real estate in the City of New York, from 1817 to 1831. This value is canvassed, contested, scrutinized, and adjudged, by the proper sworn authorities. It is, therefore, entitled to full credence. During the first term, commencing with 1817 and ending in the year of the passage of the Tariff of 1824, the amount of the value of real estate was, the first year, $57,790,435, and after various fluctuations in the intermediate period, it settled down at $52,019,730, exhibiting a *decrease* in seven years of $5,779,705. During the first year of 1825, after the passage of that Tariff, it rose, and, gradually ascending throughout the whole of the latter period of seven years, it finally, in 1831, reached the astonishing height of $95,716,485! Now, if it be said that this rapid growth of the City of New York was the effect of foreign commerce, then it was not correctly predicted, in 1824, that the Tariff would destroy foreign commerce and desolate our commercial cities. If, on the contrary, it be the effect of internal trade, then internal trade cannot be justly chargeable with the evil consequences imputed to it. The truth is, it is the joint effect of both principles: *the domestic industry nourishing the foreign trade, and the foreign commerce in turn nourishing the domestic industry.* Nowhere more than in New York is the combination of both principles so completely developed."

The Post, having been recently transformed, from a life-long, imbittered adversary, into an admiring eulogist of Mr. Clay, and having claimed him as a convert, about 1832, to its Economic views, I submit the above testimony to the magical beneficence of the Tariffs of 1824 and 1828, in the assurance that neither its pertinence nor its cogency can well be gainsaid.

XIX.

TAXATION, DIRECT AND INDIRECT.

DIRECT Taxation has been defined as that which must be borne by him who immediately pays it; while that which he may charge over upon others is distinguished[1] as indirect. Thus, Duties on Imports are regarded as indirect, because most articles imported are imported for sale, and but a small proportion — probably not more

[1] M. Thiers, in his terse, vigorous essay on "The Rights of Property; in Refutation of Communism and Socialism," says: —

"We may imagine another kind of tax, which, laying hold of all articles of consumption on their passage, such as food, clothing, articles of luxury, and raw material, is thus confounded with and added to the price of the articles. This tax, called *indirect*, to distinguish it from the other, has a very great advantage over it, — it is that of taking its proper place by adding itself to the price of produce, of which the tax should evidently form a part; for, as the expense of insurance against shipwreck should be included in the price of sea-borne merchandise, so the cost of its social protection ought to become an integral part of the price of these productions. Hence it follows that the tax, being confounded with the price of the goods in the market, is paid successively, insensibly, by slow degrees; so that the tax-payer, who generally has little foresight, is not obliged to think of the tax-gatherer as he thinks of his landlord, and it happens that, while paying his daily expenses, he pays at the same time his share of the public charges. Moreover, the tax is voluntary on his part; for he can retrench his expenditure if he thinks he cannot meet it, and then he pays only what taxes he pleases, and in proportion to the enjoyment in which he indulges. This tax is the most equitable also; for the rich man, who consumes more of the social productions, pays a greater share of their cost of protection; and he who, from prudence, economy, or poverty, abstains from them, is relieved from paying a part of the public expense, in proportion to his abstinence. This *indirect* tax is therefore insensible, infinitely divided, prudent for the payer who is not so, and in general more just."

than one per cent. — are bought abroad by those who are to use or consume them in the country to which they are sent. On the other hand, not only a poll-tax and an income-tax, but any tax on lands or other fixed property, is held to be direct, because the owner of lands or houses cannot add the tax to the price of the property in selling it; indeed, the buyer, in estimating the value of the property, is quite at liberty to treat the tax as an encumbrance or quit-rent, and deduct it from the rental or income in estimating the value of the estate and fixing the price he will pay for it. I conform to the popular distinction without here inquiring into its justice.

It has been very generally assumed that Direct Taxes are preferable to Indirect, in that they are more sensibly felt by the public, and thus induce a more vigilant scrutiny of appropriations, expenditures, and schemes involving the use or investment of public money. Superficially regarded, the truth of this proposition may seem self-evident. I, however, accustomed to scrutinize specious generalizations and look smooth plausibilities square in the face, challenge its correctness, and submit a summary of facts bearing thereon, which are quite within the scope of current popular observation.

The City of New York is (I think) as corruptly, prodigally ruled as any other twenty square miles of the earth's surface; or, if there be an exception, it is presented by her gigantic suburb, Brooklyn. Yet nearly every dollar of the Twenty-odd Millions annually drawn from her treasury, mainly for Municipal uses, is derived from her citizens by what is distinguished as Direct Taxation, — a mere shred of the vast aggregate being obtained from licenses, market-stands, &c., &c. The personal property of non-residents may possibly supply a tenth of the total, though I judge that a twentieth would be nearer the truth; the residue is taxed upon lands and struc-

tures at the rate of $ 50 to $ 4,000 per lot of 25 feet by 100, with the buildings, building, or part of a building, standing thereon. And, as nearly all of us sleep under some sort of roof, — at all events, sink to rest on some sort of lot, — this mode of taxation would seem not only direct but all-embracing. And, as all adult male citizens are legal voters, a few thousand negroes excepted, Direct Taxation ought here to exhibit its natural fruits.

But, when we look a little closer into the matter, we find that our City has not less than One Hundred and Twenty-five Thousand Legal Voters (to say nothing of the Illegal), of whose names less than one-fifth appear upon her tax-lists. If the vast majority are made to bear the burden of Municipal prodigality, it reaches them so circuitously and unobservedly, in the shape of increased rents and enhanced charges for board and lodging, that they fail to trace the effect to this particular cause. Nay, such of them as are sharp enough to look into the subject at all perceive that, while Rent and Board are apt to advance far oftener than they react, there is no necessary, or, at all events, no immediate, connection between the increase of our Municipal burdens and the inevitable cost of living here: that taxes may be enhanced this year, while rents rise the next, and *vice versa;* so that the voter does not generally feel that adding $ 50 per family to the cost of our City's government will add $ 50, or even $ 5, to the necessary or probable cost of sheltering and subsisting *his* family. On the other hand, there are thousands who make themselves busy and useful as Ward politicians to the dominant power here who shrewdly calculate that, if some Millions more are spent per annum in oiling and running the Municipal machine, there will be chances for such as they to receive somewhat of the greasy dripping. Hence, in several of our Wards, mainly owned by non-residents and

peopled by poor and unthrifty tenants, I firmly believe that a candidate for Alderman known to belong to the Municipal "Ring," and to favor "big things" in the way of street-opening, grading, paving, &c., &c., especially if understood further to be liberal to "the boys," and ready to give and take, would run better, and be more certain of election, than one of identical politics but of old-fashioned notions of public economy and official responsibility.

All this, you say, only proves that what is called Direct Taxation is misnamed. Possibly; but does it not prove much more than that? Does it not prove the distinction between Direct and Indirect Taxation illusory and non-practical? An excise or *octroi* duty of fifty cents per pound on Tobacco would come straight home to the business and bosoms of seven-eighths of our voters, — would incite them to look sharply about them to see why that tax was imposed, and by what means it may be abated; whereas an additional tax of $50 per house would be regarded by most of them as an affair of the landlord's, in which they had but a remote if not purely ideal or sentimental concern. If, then, the current discrimination of Direct from Indirect Taxes be correct, I maintain that those termed Indirect are most likely to be felt, scrutinized, and criticised, by the great body of our people.

Of late, some speculative economists have favored what is called Progressive Taxation, — that is, an exaction of one mill per $100 from all whose taxable property is valued at less than $1,000; two mills per $100 from those who have over $1,000, but less than $5,000; three mills from those who have over $5,000, but less than $10,000; four mills per $100 from those who have over $10,000, but less than $20,000; and so on, until he who has $1,000,000 shall be required to pay two or

three per cent., and he who has $10,000,000 or over a still higher rate. Incidentally, such a system of taxation might prove beneficent, by inducing great capitalists to divide much of their property among their natural heirs without awaiting the intervention of death. Another inevitable effect — that of inducing a majority of the legal voters to authorize large expenditures for public enterprises of questionable profit — I could not regard with complacency. Already, the rule [1] that Property must pay for all has been pushed beyond its proper limitations. In our late Civil War, the old-fashioned conception that a citizen owes *as* a citizen a duty to his country, was very generally repudiated. Individuals — very many of them — volunteered as a dictate, not of choice, but of duty, and many a mother sent her only

[1] M. Thiers deals with the proposition that all taxes should be levied upon Property, none upon Labor, thus conclusively: —

"Taxation must, therefore, be proportionate to each one's means; and by *means* we must understand not only what each man earns, but what he possesses. Thus the individual, protected in his labor by him who mounts guard, or judges, or governs, is protected not only in his personal labor, but in the accumulated labor of his parents, converted into land, houses, or furniture. All that represents, say an income of ten, twenty, or a hundred francs a day. This is preserved for him; and he must pay some remuneration for the protection of wealth previously acquired as well as for that acquired every day. Taxation, then, must be according to the income from his wealth, whether bequeathed or acquired. This is what is meant by the proportionality of taxation.

"But, in like manner, as you owe one part of the tax for the property you possess and the social protection guaranteed to you, so you owe another for your labor in proportion to the profits of that labor. Any plan for exempting labor would be as unreasonable as exempting property. All that is placed under the social protection owes a proportionate return. If you save me daily ten francs of my income, or ten francs of my wages, I owe you a remuneration in proportion to those ten francs. The principle, as in an insurance company, is to pay the tax in proportion to the value guaranteed, whatever may be the nature of that value. The argument which some might endeavor to oppose to this truth would be, that property is wealth and labor poverty; and in that case there would be an apparent reason founded on the interest which poverty inspires, and the little favor inspired by

son to the battle-field when she would gladly have ransomed him from the service with all her worldly possessions. The great majority, however, of those perfectly willing to fight, awaited the offer of liberal bounties before volunteering; virtually assuming that the duty of upholding the Nation's integrity and authority devolved on Property alone.

For some years, a lively fusillade of discussion has been maintained in our party journals with regard to the comparative facility of earning a livelihood now and ten years ago, or prior to the signal changes in prices and current values effected by our great Civil War. Many facts have been aptly and forcibly adduced on either side, as many more may and doubtless will be; but the great, controlling consideration that our public burdens have

wealth. But the allegation is utterly false, and therefore the interest unreasonably inspired perishes with the allegation.

"If there is a rich property, there is also a poor property; and, if there is a poor labor, there is also a rich labor. For instance: here is a wretched peasant who, by toiling all his life, has acquired an acre of land, which, by dint of labor, returns him two or three hundred francs; and on it he lives to the close of his days. This is poor property, and perhaps the most general. Here is an old servant and an aged clerk, modestly ending their lives with an income formed by their savings. That is also poor property, as general as the former. I will next adduce the case of a merchant, a barrister, a physician, or a banker, earning their twenty, thirty, or a hundred thousand francs a year, and sometimes a million. That is rich labor, and labor by no means rare, except the last, which is seldom met with. And you would tax him whom the protection of society secures in the enjoyment of the three or four hundred francs composing the maintenance of his old age, that you may exempt him who is indebted to the same protection for the means of earning ten, twenty, or a hundred thousand francs a year! In taxing property and labor, we look not more to wealth than to poverty. We look to both, because there is a poor property as well as a rich labor. The observation of facts thus accords with justice in establishing that every man is indebted to society, whatever it may be that is guaranteed, — be it wealth acquired formerly, or wealth acquired recently; be it old labor or new; that the tax should fall on every kind of labor without exception for all are indebted to society for the means of production, whatever may be their nature and origin." — *The Rights of Property*, &c., p. 229.

been enormously and inevitably augmented by the cost of that War, does not seem to have received due emphasis from either side. Over and above the patriotic contributions and services freely proffered and the taxes paid during the War, the Government and the loyal States, with their several Counties, Cities, and Townships, incurred debts in raising, equipping, paying, and subsisting, armed forces to the extent of not less than Four Thousand Millions of Dollars. Of these, nearly or quite One Thousand Millions have already been paid off from the proceeds of one or another form of taxation, or at the rate of about Two Hundred Millions per annum, while the interest on the entire volume of indebtedness has averaged an equal amount. He who supposes that this vast load can be borne by Forty Millions of people without feeling it, or that it could by possibility be wholly strapped to the shoulders of a small part of their number, evinces but a shallow acquaintance with the nature and laws of taxation. Had the poorer three-fifths of our voters been firmly combined in a determined effort to fasten the entire load on the more wealthy two-fifths, I believe success in their effort absolutely unattainable, unless by direct confiscation and spoliation, if even thus. A Government may stipulate that its bonds or other certificates of indebtedness shall be exempt from taxation, and keep faith with its creditors to the best of its ability; but taxation in some form — Income, Excise, or Tariff — will reach and toll property, however carefully screened. To offer a non-taxable bond is simply to collect the tax in advance; and even that cannot protect from its re-imposition and re-collection in various unnoted ways. Nor do I suppose that Labor can escape taxation, however earnest and able the efforts to screen it. Hence, without deciding that it is or is not harder in the average to earn a livelihood in this country to-day than it was be-

fore Secession, I am confident that it *is* harder than it would have been at this time had there interposed no Secession and no destructive, exhausting Civil War.

Our modern Free-Traders are accustomed to reiterate protestations of their acquiescence in the rightfulness and good policy of raising revenue by means of a tariff of duties on imports. In so doing, they placate hostility at the expense of consistency. For, if it be true, as they assert, that a duty on imported wares or fabrics raises arbitrarily, by the amount of its exaction, the cost to consumers, not only of the articles imported under such tariff, but of the domestic products which are sold in competition therewith, then any tariff at all is an oppressive mistake and injustice. Suppose pig iron to be the article taxed, and its natural, legitimate price in this port to be $ 25 (gold) per ton, at which importers and domestic producers are alike doing fairly, under a system of absolute free trade. But a tariff is imposed for revenue purely, and a duty of $ 5 per ton imposed thereby on imported pig iron. The price rises at once, according to the Free Trade theory, to $ 30 or over; so that the importer transfers the whole burden to the consumer. But the home-made iron, which is twice or thrice the amount imported, is also enhanced in price, equally with the imported; and the $ 5 per ton thus taken from the consumer's pocket is paid, not into the Treasury, but into the pocket of the producer; being so much unjustly taken from another and given him by the force of law. Such is the Free-Traders' representation of the necessary effect of *their* kind of tariff. It is not mine.

The superiority I claim for taxation by Tariff or Duties on Imports over any and all modes of taxing commended as Direct, is this: Taxation by Tariff involves and insures a compensating advantage to the great body

of our tax-payers, in that it strongly tends to encourage the planting of new industries, the naturalization of new departments of productive labor, on our soil, and the consequent opening to hundreds of thousands of opportunities for earning a livelihood superior to, and more acceptable than, any which they would else have enjoyed. Our present taxes on foreign-made Sugar and Molasses were imposed for revenue purely, — for no Sugar-making Interest was potent in the National councils at the time, — but its effect has none the less been to rapidly revive and generously recompense the Cane-Sugar culture of Louisiana, beside invigorating the Maple Sugar and Sorghum Syrup industry of the North, largely increasing its product, and giving encouragement to the spirited efforts of a few sanguine farmers to transplant to our soil a scion from the thrifty Beet Sugar industry of France and Germany. So our present high duty on imported Teas, rendered necessary by the heavy burdens of War, and imposed with an eye to Revenue purely, without a thought of Protection, bids fair to incite and cherish kindred attempts to naturalize the Tea-culture on our Pacific coast and in the valleys of East Tennessee, of Cherokee Georgia, and the Carolinas. It is too soon, as yet, to predict with confidence that these attempts, or any of them, are destined to succeed, but not too soon to *hope* that such may be the case, and that the lapse of a few years may witness the firm establishment and rapid expansion of Tea-culture in different parts of our country, enlarging the demand for, and increasing the recompense of, Women's and Children's labor among us, while proffering them an employment adapted to their inferior strength and superior delicacy of touch, increasing the aggregate productiveness of our National Industry, and elevating the average condition of our people.

XX.

COÖPERATION.

THOUGH I have already[1] considered and commended Coöperation in Industry as the natural sequence or continuation of the progress already made in superseding or supplanting Slavery by Wages, the change meditated is so important, and in my view so inevitable, while it lies directly on the way to the goal I contemplate, that I am impelled to give it further elucidation. I shall not attempt to answer all conceivable objections nor silence cavil, but simply to show what Coöperation is and purposes. I will consider it first with reference to Commerce or Distribution.

The present century has witnessed vast progress in almost every department of material production. To-day, far more land is ploughed, by a certain expenditure or outlay of human effort, and ploughed better, than by our grandfathers; a girl of fifteen, guiding a span of horses, can mow grass faster and better than five men could cut it by hand; our steel ploughs, cultivators, reapers, horse-rakes, &c., &c., have combined to render farm labor less rugged and exacting, while far more efficient, more productive, than formerly. To say that an average day's work produces twice the food or fibre and thrice the cloth or ware that it did a century ago, would be to keep quite within the truth.

But, while Production has thus been increased by the invention or adoption of machinery which renders Labor more effective, no corresponding improvement has been

[1] See Essay VI.

wrought in the usual machinery of Distribution. Traffic, through all its multiform ramifications, is continually sucking the life-blood of Industry. The machinery whereby Vegetables and Fruits (for example) are collected from the farms and gardens of their producers, and supplied to the consuming artisans and laborers in the adjacent cities and villages, is nearly as rude and quite as expensive as it was in the days of Homer or of the elder Pharaohs. The fishermen by whose efforts and exposure New York is supplied with the products of the ocean receive but dimes for their "catch" where the consumers pay dollars; the berries from the Jersey barrens, for which the pickers receive ten cents or less per quart, are retailed to our citizens for thirty; the turnips, for which the farmer of Westchester County with difficulty finds a purchaser at a dollar per barrel, are commonly sold by our hucksters at twenty-five cents the half-peck, or at the rate of six to seven dollars per barrel; and the apples which bring the farmer two dollars per barrel cost the city mechanic forty miles away many times that sum. And so throughout the wide range of perishable food.

I write in the fulness of a Peach-harvest of extraordinary abundance. Peaches were never before at once so plentiful and so good. The growers throughout our country (and they abound and flourish everywhere south of latitude 40° on our Atlantic and 49° on our Pacific coast) will hardly realize an average of twenty-five cents per bushel; while immense quantities must be fed to animals or left to rot under the trees that bore them. This City is a great, if not the greatest, emporium of the Peach-trade, and is not far from the great Peach-orchards of New Jersey, Delaware, and Maryland, wherewith it is connected by many lines of steamboats, railroads, &c. Yet, while the growers have been con-

strained by their abundance to sell Peaches at a low figure, and often at prices which left them nothing after defraying the cost of transportation and marketing, the consumers have paid for them an average of not less than two dollars per bushel. So imperfect is yet the machinery of distribution that, though the swine of the producing farmers have eaten peaches to satiety, our City's Laboring Poor could rarely afford to let their children eat once their fill of good, sound ones. It would seem that here is room for improvement, and that the wisdom of the Nineteenth Century should be equal to effecting it.

Mr. Parke Godwin, an eminent apostle of Free Trade, in his ingenuous youth wrote[1] thus pertinently and forcibly: —

"Commerce is designed to bring the producer and consumer into relation; that is, if it has any object. But in itself it produces nothing; it adds nothing to the commodities which it circulates. It is obviously, then, for the general interest to reduce commercial agents to the smallest number, and to carry over the excess to some productive employment.

"In our societies, precisely the contrary takes place; the agents of Commerce are multiplied beyond measure; designed only to play a subordinate part, they have usurped the highest rank; they absorb the largest portion of the common dividend, out of all manner of proportion to the services they render; they hold the producer in a servile dependence; they reduce to its lowest terms the wages of workmen; and they extort from the consumer without mercy.

"Blind competition, so much boasted of by the political economists, has largely contributed to the evil. Traffickers, in consequence of it, give themselves up to a regular war against each other; and, in order that they may not be beaten, they are ready to resort to any expedient. They lie, cheat, and falsify products; they adulterate grains, meats,

[1] A Popular View of the Doctrines of Charles Fourier. Redfield: New York, 1844.

wines, and sugars; they would poison the community, if they dared, as we have recently seen in one or two instances; and they spoliate the public in a thousand modes, by exchange, brokerage, usury, bankruptcy; in short, they deceive in every way, and defraud at all seasons; yet commerce, in our corrupted societies, is the most certain way of arriving at fortune, honor, and distinction.

"We speak here only of intermediate commerce, by which we mean the commerce which consists in buying from one in order to sell to another. The manufacturer and the mechanic belong to the class of productive laborers, although their functions are often complicated with the character and vices of commerce, strictly speaking.

"We know very well that Humanity must employ a portion of its force in the transportation of products, in order to bring them within reach of the consumer. But it is evident that it ought to devote to this task only the force that is rigorously necessary; every expenditure of time or money, beyond this minimum, being a real loss for society."

The true distinction is here taken: Commerce is essential, since each cannot advantageously produce all that is required to satisfy his wants; but it is not necessary nor desirable that Commerce should appropriate the grist and leave only the toll to Production. We must have men employed in exchanging the products of Agriculture for those of Manufactures; but a regiment would suffice where we now employ an army; and we must devise the means of dispensing with the army, — or rather, of dismissing it from Trade to Industry, and making the regiment serve in its stead. Such is the end contemplated by Coöperation in Trade.

An average rural township, of thirty to forty square miles in area, inhabited by some four hundred families of two to ten persons each, whereof three-fourths are engaged in Agriculture, is probably as free from parasites, or unproductive consumers of wealth, as so many people well can be under the system which Coöperation

is designed to supplant. It has fewer idlers or paupers than so many people are obliged to support in almost any other civilized country than ours, or in any other than an agricultural community. Yet this township supports from four to ten "stores," partly located within and partly outside of its boundaries, and pays a profit of ten to forty per cent. on whatever it does not produce, but buys from abroad. Searching inquiry will establish that a full eighth of the gross product of that township is paid out as mercantile profit on the goods it imports for its people's consumption.

Why need it pay so much? Why should it support several families on the profits of its trade, when one man could make purchases of the groceries, wares, and fabrics, it needs, and distribute them to better advantage than a dozen can? Of course, if it employs the dozen, it must pay them: it were absurd to raise a clamor against traders as cormorants. They are no more at fault than was the "great wheel" or "little wheel" which the spinning-jenny has superseded. But may not the people of that township devise some means of employing one man instead of seven to supply them with the goods they need, and thus effect their exchanges at an average cost of five per cent. instead of twenty? In a manufacturing village or city ward, the waste is greater, because few consume their own products to any extent, and the volume of exchanges is therefore heavier, while the charge for house-rent, clerk-hire, &c., is far higher. It is quite within the truth to estimate that one-fourth of the earnings of the poor in cities is absorbed by the profits of retail trade; and mainly of the trade in what they eat and drink. Need I stop to demonstrate that this enormous exaction operates as a diminution of their wages or earnings to that extent, so that twenty dollars per week to a city mechanic is no more than fifteen dol-

lars would be if the machinery of distribution were so perfected that he could obtain the necessaries of life at their lowest cost?

Happily, the whole matter has passed beyond the domain of hypothesis or speculation. We are saved from contention as to what might be by a knowledge of what positively is. Galileo's constrained abjuration of the true theory of planetary motion did not affect the momentum of the smallest asteroid; and a thousand specious arguments, designed to prove Coöperation illusory and impracticable, are demolished by the simple fact that Coöperation is no untried theory, but a subsisting and unquestionable fact.

Twenty-six years have nearly passed since a dozen, poor, humble, ignorant weavers met in the back room of a mean tavern at Rochdale, — a manufacturing village of British North Lancashire, — to devise the ways and means of improving their condition. The political agitations of the time had reached them, and Chartism, Free Trade, &c., were doubtless discussed, as were Strikes and the kindred enginery of Trades Unions. The larger number of the little company could not feel that any decided, practical good was likely to be realized from any or all of these devices. At length, one of them spoke to this effect: "If we cannot command higher wages, our best course is to try to make our present earnings *go further* than they now do. In this age, every great enterprise is prosecuted by combinations or companies. Thus railroads are constructed, canals dug, and many things achieved that would else be impossible. Let us imitate the projectors of these works, on the small scale dictated by our scanty means, by combining to buy at wholesale the necessaries of life." After discussion, the suggestion was approved, and an attempt to reduce it to practice resolved on.

A basis of organization for "The Rochdale Society of Equitable Pioneers" was forthwith drawn up, and signed by each of those present, who were to pay twenty pence per week into the common fund of the association to form a working capital. Only a part were able to do this on the instant; and a year was thenceforth spent in accumulating a cash capital of £ 28 (or $ 140) wherewith to launch the new store. Meantime, their number had increased to twenty-eight, and they had hired and rudely fitted up a building in Toad Lane for their store; which was duly opened, in presence of the assembled associates and their families, on the evening of December 21, 1844. Rent and fitting up had absorbed nearly half their capital; so that barely seventy-five dollars remained for investment in those prime necessaries, Flour, Butter, Sugar. As they could not afford clerk-hire, their store was opened in the evenings only; the members by turns waiting upon purchasers. Scoffers and sceptics stood around to hoot and jeer; but the "Pioneers" minded their own business and let the heathen rage. Such was the humble beginning of an association of workers for scanty wages, which has ever since been in prosperous activity, and which has grown, in the course of a quarter of a century, into a company of sixty-seven thousand members, wielding a capital of four to five hundred thousand dollars, and doing business annually to a far larger amount, — buying grain by the cargo, to be ground in their mill and sold to members and customers as flour or as bread; while cattle are likewise bought by it in scores, slaughtered, cut up, and sold out as required. A clothing store, a dry-goods store, three shoe-stores, and five meat-shops, besides a magnificent central warehouse, are among the structures owned and used by the Pioneers, whose library of five thousand well-chosen volumes and reading-room supplied with the best newspapers are free

to the members and their families, — two and a half per cent. of the profits of the business being devoted to educational uses. To buy only the most substantial and serviceable fabrics; to offer no adulterated or inferior article; to buy and sell for cash only; to charge moderate prices; and to divide all profits equitably among the members, — such are the cardinal principles propounded and lived up to by the Equitable Pioneers, of whose doings an eye-witness writes :[1] —

"Let us glance at the manner of doing business at the coöperative store. The shop is open all day, but is most frequented in the evening, being generally crowded on the Saturday night. As everything has to be paid for in ready money, all purchasers must, of course, bring their cash with them. Whatever be the amount a customer lays out, he or she receives a tin ticket, on which is stamped the sum paid, — such tickets being vouchers for the receipt of the money. The buyer preserves these tickets until the expiration of the current quarter, when he brings them to the store, and, for whatever amount of them he can produce, he is entitled to a proportionate share of the profits of the concern during the quarter. The whole of his purchases in the time may amount, perhaps, to five or six pounds; if the profits average ten per cent., he would be entitled to ten or twelve shillings; and he might either receive the money in cash, or have the same transferred to his account credit in his pass-book, in which case it would go to increase the deposit on which he receives interest. The shop being open to the public, and the tin tickets being issued to all customers alike, non-members are in the habit of disposing of them to members, who are credited for their value on producing them."

The signal success thus achieved at Rochdale has prompted many imitations, not only in Great Britain but on the Continent; while in this country "Union Stores" were started quite as early as 1844. Some of these

[1] People's Magazine, February, 1867.

have prospered, and greatly benefited their founders and the community; others have been mismanaged, through incompetency or rascality, have fallen into bankruptcy, and vanished from off the face of the earth. Coöperation is no proof against roguery, as many a bank can bear witness; and the coöperative store which seeks or desires credit is morally certain to be already well advanced on the road to ruin. For of the essence of Co-operation is Cash Payment; and a concern which buys on credit will naturally sell on credit; thus dooming itself and its members to flounder in a quag-mire of embarrassment and to work evermore for "dead horse." Such a concern will soon be deserted by its indebted members, who will set off for the ends of the earth, leaving their more thrifty associates to struggle vainly against a flood-tide of adversity which must ultimately bear them down, leaving the concern to be wound up by the sheriff and sold out by his auctioneer. Debt, for goods had and disposed of, will, nine times in ten, prove fatal to any form of Coöperation.

On the other hand, the habits of thrift, economy, foresight, calculation, which the conduct of a Coöperative Store involves and requires, cannot fail to prove of signal and permanent advantage to its members. They are first constrained to save, in order to start their store on the humblest scale; and to many of them the knowledge that they *can* save is novel and beneficent. If the Rochdale Pioneers have this day Half a Million Dollars invested in their business, — that is, Half a Million Dollars' worth of ground, buildings, wheat, flour, coal, cattle, meats, dry goods, groceries, &c., which they jointly own, — it is quite probable that they individually have more property outside of the company than they would this day have had in the absence of any such enterprise. I believe it may be fairly computed, therefore, that Co-

operation, in the single instance of the Rochdale Pioneers, has not only increased by at least Half a Million Dollars the wealth of mankind, but has assigned that wealth to a class at once needy and deserving. And the habit of saving, the appetite for thrift, is of even greater value than its already realized results.

What has been done may be done again, and doubtless will be. There are hundreds of Coöperative Stores now in operation; some will fail, as some have failed already; while the greater number will attain no such importance and achieve no such conspicuous and brilliant success as has crowned the efforts of the dozen poor weavers in Toad Lane, Rochdale. But scores have already achieved a success as complete as that of the Equitable Pioneers, and are now in the full fruition of their well-won triumph. Failures and successes are alike instructive, as the beacon which tells of quicksands or sunken rocks is as essential to the mariner as the light-house which guides him to his haven. It is entirely practicable for our industrious poor to diminish sensibly their weekly expenses by means of Coöperative Stores; if they cannot trust each other, or if they shrink from bestowing the care and foresight required, it is not because they are incompetent or consciously depraved, but because the recompense of labor is more liberal here than in the Old World, and the necessity for planning and scheming to save sixpences, and make each dollar go as far as possible, is consequently less urgent in America than in Europe.

As one main object — indeed, the chief end of a true Political Economy — is, in my view, the extensive conversion or transmutation of superfluous exchangers of products into actual producers of wealth, so that, in place of sixty producers and forty exchangers and parasites of one species or another, there shall be at least

ninety producers in every hundred persons who gain or seek a livelihood by their own exertions, successful Coöperation commends itself as the natural complement of Protection. Each in a distinct sphere coworks with the other to achieve a signal and general good. Protection dispenses with long and perilous voyages and the costly movement of bulky raw materials across oceans and continents to recompense and subsist artisans engaged in the production of Metals, Wares, and Fabrics for the use of the producers of those raw materials, securing a larger recompense, a more generous subsistence, to either class, by relieving them of the useless expense of maintaining the army of speculators, forwarders, boatmen, shippers, railway operators, &c., &c., formerly interposed between them, and bringing them into direct and economic relationship as members of the same community; Coöperation renders a like good service in dispensing with nine-tenths of the present locust horde of hucksters, retailers, and middlemen, and bringing the farmers and artisans of the same country, State, county, vicinage, into a relation equally direct and beneficent. Protection tends to plant the artisan by the side of the farmer, and thus enable them to exchange their respective products at a tithe of the cost involved in their interchange between the inhabitants of widely separated communities; while Coöperation performs a like good office for the producers of the same country or neighborhood, enabling them to enjoy the fruits of each other's labor without paying exorbitantly for their transfer from one to the other. The end contemplated in either case is a vast enhancement of productive power, through an increase of the number or proportion of producers, the elimination of needless intermediates, and a consequent enlargement of the substantial recompense of all descriptions of creative industry.

Of the various attempts to organize Labor on a basis of Coöperation I shall speak more briefly. Many have failed, as was to be expected; the failures have been more general, or at least more conspicuous, among those which, soon after the revolution of 1848, were subsidized by the government of republican France, than elsewhere. A sum of $600,000 was appropriated and disbursed in aid of experiments in Industrial Association, most of which soon collapsed; while several then started, by workmen who declined the proffered subvention, still exist and flourish. Most of these hire and pay journeymen, who receive wages, but no profits; these are divided among the associates, who have very generally discarded the principle of uniformity in recompense, finding it unfavorable to efficiency or excellence, and now pay each associate the value of his product, — in other words, prefer piece-work to day-work. The association of Piano-makers, which commenced operations twenty years ago on a capital of less than fifty dollars, has now a capital of $35,000, and does a business of nearly $40,000 annually. The association of Masons has but eighty-odd members, of whom two-thirds work daily with trowel and hod; the residue are foremen, managers, or simply stockholders; while from two hundred to three hundred more are usually employed by it as journeymen. Lyons has several associations of workmen, one of which has eighteen hundred members; St. Etienne has one of twelve hundred members, wielding a capital of $240,000. One formed in Vienna eighteen years ago, for the manufacture of cloth, but which now has its flour-mill, bakery, grocery, coal-yard, and farm, does a business of $200,000 per annum. Apart from these, several great manufacturing establishments, beside paying their workmen the current wages, accord them a moderate share — usually, ten per cent.

— of the profits realized on each year's business, and find their reward in the community of interest thus created : most workmen seeking, by efficiency and thrift, to increase the profits wherein each is to share. A pro rata scale of distribution is usually adopted, — each workman receiving a dividend proportioned to his earnings during the year ; so that, if $ 1,000,000 has been paid out as wages during the year, and $ 200,000 realized as profits, there are $ 20,000 of these to be apportioned among the workers, each of whom receives therefrom two per cent. of his annual wages : he who has earned $ 500, $ 10 ; he who has earned $ 300, $ 6, and so on. The dividend is not apt to be large ; but, since it is so much over and above the usual wages, it proves quite acceptable.

In this country, there have been several attempts to realize complete Industrial Association, most of which have failed and disappeared ; those of the religious communists known as Shakers, Rappites, Zoarites, Perfectionists, &c., forming the only conspicuous exceptions. There have been failures among these ; but quite a number have succeeded ; and, as several of these societies are more than sixty years old, and are now rich in worldly goods, they can no longer be regarded as on probation. Of associations for the prosecution of a special trade or business, those of the Iron-Moulders of Troy have now been some three years in operation, and seemed, when I was last definitely advised, to be enjoying a substantial prosperity. They had accumulated capital ; they were earning more than journeymen's wages ; and they had abundant work, and were said to do it decidedly well. Should this success endure, it will, of course, incite others to study their organization and history, with intent to copy the former and emulate the latter.

Yet ours is one of the last countries in which Coöpera-

tion is likely to become widely popular. As a people, we may be viewed as on the march from East to West; the active, aspiring mechanic, who was born in Maine or New Hampshire, migrates to New York or some other Middle State soon after attaining his majority; reaches Illinois or Missouri two or three years later; and will often be found traversing Montana or California before he is thirty; and, having no fixed abiding-place, he is unlikely to trouble himself with aught to which stability is so essential as it is to Coöperation. His wages, when he has work, are usually so ample that he would scorn to knot his brain with problems that seem to him so petty and paltry as those which taxed the assembled wisdom of the humble weavers of Toad Lane. Whatever the thoughtful few may do, it is not probable that the great majority of our workers for wages will soon give time or effort to the realization of Coöperative Industry, unless its triumph in other lands shall be so emphatic as to compel their attention and excite their emulation. And yet my own conviction is strong that Coöperation is the true goal of our industrial progress, the application of the republican principle to Labor, and the appointed means of rescuing the Laboring Class from dependence, dissipation, prodigality, and need, and establishing it on a basis of forecast, calculation, sobriety, and thrift, conducive at once to its material comfort, its intellectual culture, and its moral elevation. It may be that associations of workingmen to secure the full employment and just recompense of their labor may not become so common in the next age as associations of capitalists and business men for like ends already are; but, if so, I must regret the fatuity which will not realize that "In union is strength," or the faithless apathy which rejects the proffered good because mutual and devoted, persistent efforts are required to achieve it.

XXI.

WOOL AND WOOLLENS.

According to the official returns, the whole number of Sheep in the United States and the annual product of Wool, in 1850 and 1860 respectively, were as follows: [1] —

	1850.	1860.
No. of Sheep, . .	21,723,220	24,823,566
Pounds of Wool, . .	52,516,959	62,017,153

Inc. in 10 years, Sheep, 3,099,346. Wool, 10,500,194 lbs.

These returns indicate a very moderate annual increase in the number of Sheep, but a more considerable improvement in the annual product of Wool per head.

That Sheep Husbandry in the United States ought to be extended is manifest. Our people eat too much Pork and too little Mutton. Fresh Pork can be had only in the two last months of each year, — at least, very little is seen among our rural population at any other season; while Fresh Mutton may be and is enjoyed by our farmers in the Summer and early Autumn, when fresh meat is otherwise unattainable by most of them and Salt Pork too uniformly a staple of their diet. Were our Sheep doubled in number and improved in quality, it would be better for us all. And, even then, our Sheep Husbandry would be behind that of Western Europe. A daring statistician [2] says that "recent German estimates" make the annual product of Wool as follows: —

[1] Quoted, but not named, in the official "Report upon Wool and Manufactures of Wool," by E. R. Mudge, U. S. Commissioner at the Paris Universal Exposition, 1867.

[2] Preliminary Report on the Eighth Census. 1860. By Joseph C. G. Kennedy, Superintendent. Washington, 1862.

Countries.	Pounds.	Countries.	Pounds.
Great Britain,	266,000,000	Germany,	200,000,000
France,	123,000,000	Russia in Europe,	125,000,000
Spain, Portugal, and Italy,	119,000,000	United States,	95,000,000
Australia, South America, and South Africa,	157,000,000	Northern Africa,	49,000,000
		British North America,	12,000,000
Asia,	470,000,000		

If this estimate be correct, the annual product of Wool in the whole world is 1,610,000,000 pounds, whereof little Europe produces 827,000,000, or more than half.

The rapid and vast diffusion of Wool-growing in Australia and in South America, where Sheep are neither fed nor sheltered, has caused a general depression of prices; and this has tended to discourage Wool-growing among us. But it should be considered that, while the value of the fleece has declined, that of the meat has largely increased; and the amount or weight of Meat produced far transcends that of Wool. Despite the low price of Wool, whoever produces, under favoring circumstances, choice Mutton, in the vicinity of this or any of our cities, can hardly fail to profit by doing so. I am assured by successful New York and New England farmers that they can make money faster by growing early Lambs for the markets of our cities than by producing anything else.

During the eleven years from 1850 to 1860 inclusive we imported unmanufactured Wool as follows: —

Year.	Value.	Year.	Value.
1850 . .	$ 1,681,691	1856 . .	$ 1,665,064
1851 . . .	3,833,157	1857 . . .	2,125,744
1852 . . .	1,930,711	1858 . . .	4,022,635
1853 . . .	2,669,718	1859 . . .	4,444,954
1854 . . .	2,822,185	1860 . . .	4,842,152
1855 . . .	2,072,139		
Total, ...			$ 32,110,150

During these eleven years we also imported Woollen Fabrics (including some classed as such which were partly composed of other materials than Wool) as follows:—

Year.	Value.	Year.	Value.
1850 . .	$ 17,151,509	1856 . .	$ 31,961,793
1851 . . .	19,507,309	1857 . . .	31,286,118
1852 . . .	17,573,964	1858 . . .	26,486,191
1853 . . .	27,621,911	1859 . . .	33,521,956
1854 . . .	32,382,594	1860 . . .	37,937,190
1855 . . .	24,404,149		
Total for eleven years,		. .	$ 299,834,684

During these eleven years we exported home-grown Wool to the value of $ 1,562,502; but there are no returns of American Woollens exported. We, therefore, appear to have imported Wool and Woollens in those eleven years to the value of $ 330,382,332 above that of our exports. And no one who knows anything of custom-house valuations and evasions can doubt that the *actual* disparity in value between our exports and our imports of Wool and Woollens considerably exceeded that vast sum.

Was it well for us thus to buy abroad so large a share of the material wherewith our people are mainly fenced against the rigors of Winter and the sudden changes and caprices even of our milder seasons? I think not.

The production of *Shoddy* and *Mungo* — that is, the breaking up of the remnants of old woollen garments, carpets, &c., into a substance which can be spun and woven by machinery — is a very modern art, which originated in Great Britain, and is still little known in this country. The product is mainly used for filling, and to such extent that the British consumption now exceeds 65,000,000 pounds per annum, which is equal to the entire Wool crop of the United States not many years ago.

The average prices of Wool at our principal market (Boston) for the thirty-five years preceding 1860 are given by Mr. Kennedy[1] as follows: Fine, $50\frac{3}{10}$ cents per pound; Medium, $42\frac{8}{10}$; Coarse, $35\frac{1}{2}$; Average, a little under 43 cents. Assuming that our average product of Wool for those eleven years was 56,000,000 pounds per annum, its aggregate value, at 43 cents per pound, was $ 264,880,000; so that we imported Wool and Woollens to the value of $ 75,402,232 in excess of our aggregate product of Wool. And the tendency, at least up to the close of the era of comparative Free Trade, was to a still further increase of our annual import alike of Wool and Woollens.

In 1861, higher duties on both were imposed; and these were still further enhanced by the special "Wool Tariff" of 1867, under which the rates are now as follows: —

WOOL. CLASS No. 1.

Clothing wools, value 32 cents or less per pound, 10 cents per pound, and 11 per cent. ad valorem.

Value over 32 cents per pound, 12 cents per pound, and 10 per cent. ad valorem.

WOOL. CLASS No. 2.

Combing wools, hair of the alpaca, goat, or other like animals, value 32 cents or less per pound, 10 cents per pound, and 11 per cent. ad valorem.

Value over 32 cents per pound, 12 cents per pound, and 10 per cent. ad valorem.

WOOL. CLASS No. 3.

Carpet wools and other similar wools, value 12 cents or less per pound, 3 cents per pound.

Value over 12 cents per pound, 6 cents per pound.

Sheep-skins and Angora goat-skins, raw or unmanufactured, imported with the wool on, washed or unwashed, 30 per cent. ad valorem.

[1] See Census Report aforesaid, pp. 59–66.

Woollen rags, shoddy, mungo, waste, and flocks, 12 cents per pound.

Wool, all manufactures of, or of which wool shall be a component material, not otherwise provided for in this act, 50 cents per pound, and 35 per cent. ad valorem.

Flannels, blankets, hats of wool, knit goods, balmorals, woollen and worsted yarns, and all manufactures of every description, composed wholly or in part of worsted, the hair of the alpaca, goat, or other like animals, except such as are composed in part of wool, not otherwise provided for, value 40 cents and less per pound, 20 cents per pound, and 35 per cent. ad valorem.

Value 40 cents, and not over 60 cents per pound, 30 cents per pound, and 35 per cent. ad valorem.

Value 60 cents, and not over 80 cents per pound, 40 cents per pound, and 35 per cent. ad valorem.

Value above 80 cents per pound, 50 cents per pound, and 35 per cent. ad valorem.

On endless belts or felts for paper or printing machines, 20 cents per pound, and 35 per cent. ad valorem.

Bunting, 20 cents per square yard, and 35 per cent. ad val.

Women's and children's dress goods, and real or imitation, Italian cloths, composed wholly or in part of wools, worsted, the hair of the alpaca, goat, or other like animals, value not over 20 cents per square yard, 6 cents per square yard, and 35 per cent. ad valorem.

Value over 20 cents per square yard, 8 cents per square yard, and 40 per cent. ad valorem.

Provided, That on all goods weighing four ounces and over per square yard, the duty shall be 50 cents per pound, and 35 per cent. ad valorem.

Clothing, ready made, and wearing apparel of every description, and Balmoral skirts and skirtings, and goods of similar description, or used for like purposes, composed wholly or in part of wool, worsted, the hair of the alpaca, goat, or other like animals, made up or manufactured wholly or in part by the tailor, seamstress, or manufacturer, except knit goods, 50 cents per pound, and 40 per cent. ad val.

Webbings, beltings, bindings, braids, galloons, fringes, gimps,

cords, tassels, dress trimmings, head-nets, buttons or barrel buttons, or buttons of other forms for tassels or ornaments, wrought by hand or braided by machinery, made of wool, worsted, or mohair, or of which wool, worsted, or mohair, is a component material, unmixed with silk, 50 cents per pound, and 50 per cent. ad valorem.

Carpeting.

Aubusson and Axminster, 50 per cent. ad valorem.

Carpets woven whole for rooms, 50 per cent. ad valorem.

Saxony, Wilton, and Tournay velvets, wrought by the Jacquard machine, 70 cents per square yard, and 35 per cent.

Brussels, wrought by the Jacquard machine, 44 cents per square yard, and 35 per cent. ad valorem.

Patent velvet and tapestry velvet, printed on the warp or otherwise, 40 cents per square yard, and 35 per cent. ad val.

Tapestry Brussels, printed on the warp or otherwise, 28 cents per square yard, and 35 per cent. ad valorem.

Treble ingrain, three-ply, and worsted chain Venetian, 17 cents per square yard, and 35 per cent. ad valorem.

Yarn, Venetian, and two-ply ingrain, 12 cents per square yard, and 35 per cent. ad valorem.

Hemp or jute, 8 cents per square yard.

Drugget or bockings, printed, colored, or otherwise, 25 cents per square yard, and 35 per cent. ad valorem.

Of wool, flax, or cotton, or parts of either, or other material not otherwise provided for, 40 per cent. ad valorem.

Provided, That mats, rugs, screens, covers, hassocks, bedsides, and other portions of carpets or carpeting, shall be subject to the rate of duty herein imposed on carpets or carpeting of like character or description.

Mats, all other (not exclusively of vegetable material), screens, hassocks and rugs, 45 per cent. ad valorem.

Oil-cloths for floors, stamped, painted, or printed, valued at 50 cents or less per square yard, 35 per cent. ad valorem.

Value over 50 cents per square yard, and all other oil-cloth (except silk oil-cloth), and on water-proof cloth, not otherwise provided for, 45 per cent. ad valorem.

Oil silk cloth, 60 per cent. ad valorem.

These duties are higher than they had ever hitherto been, except, possibly, under the Tariff of 1828. But it were a mistake to conclude that they differ in principle, or very greatly in amount, from those imposed by our previous Protective Tariffs. The principle of the *minimum* is embodied in each and all, and this has ever been assailed by Free-Traders as taxing exorbitantly the coarser and cheaper fabrics mainly worn (they allege) by the poor. In the memorial of the Chamber of Commerce of this City, praying Congress not to enact the Tariff of 1824, I find this subject treated as follows : —

"A principle which runs through the entire bill has particularly attracted the attention of your memorialists, — that spirit of patriotism, which proposes to tax the many for the benefit of a few, proposes also to lay the burden on the poor and to exempt the rich. Those articles which are consumed by the poorer and more laborious classes of our inhabitants are loaded with enormous duties, while those used almost exclusively by the rich are taxed at a comparatively low rate : a few instances will illustrate this position. The duties on low-priced cotton goods, on cheap flannels, and low-priced woollens, will, according to the proposed bill, be from 60 to 100 per cent., and on low-priced guns 140 per cent., on the first cost : these are almost exclusively used by the least wealthy part of our population ; while the fine cottons which pay 25 per cent., fine broadcloths which pay 30 per cent., and elegant fowling-pieces which, by this unskilful project, pay 6 per cent. only, are used almost exclusively by the rich."

The policy of our Government, with regard to this, as of most other branches of manufacture, may be roughly characterized as Protective from 1824 to 1834 ; thenceforward, a gradual reduction of duties, until they had fallen to a minimum or (so called) revenue rate of twenty per cent. in 1842 ; then Protective again till 1847, when the Tariff of 1846 took effect ; then anti-Protective till 1861 ; thenceforward Protective, but more

decidedly so since the passage of the Wool and Woollens Tariff of 1867, which remains in force.

What have been the more important consequences of this last change of policy?

Most certainly, if either wool-growers or woollen manufacturers anticipated enhanced prices for their products because of the Protection thus secured, they have been disappointed. Neither Wool nor Woollens now command prices so high (whether computed in paper or in coin) as they did when the "Wool Tariff" of 1867 was enacted. The law, so often insisted on in these essays, that Protection inevitably tends, by stimulating home production, to a reduction of price, is here strikingly illustrated. The prices of Wool in New York on the 1st of October, in each of the years 1860, 1866, and 1869 respectively, were as follows: —

	1860. Gold.	1866. Currency.	1866. Equivalent in gold (gold at 146).
Fleece per pound, coarse to fine, ...	30@60c.	47@75c.	$32\frac{12}{100}$@$51\frac{47}{100}$
Pulled, per pound, coarse to fine, . . .	25@55	30@65	$20\frac{5}{100}$@$44\frac{52}{100}$

	1860. Gold.	1869. Currency.	1869. Equivalent in gold (gold at 130).
Fleece per pound, coarse to fine, ...	30@60c.	40@65c.	$30\frac{76}{100}$@50
Pulled per pound, coarse to fine, . . .	25@55	24@50	$18\frac{68}{100}$@$38\frac{46}{100}$

Cheap as wool may be deemed in this country, it is cheaper still in every other. Sheep husbandry in Great Britain is sustained by the price of mutton, not of sheep.

The prices of the most important Woollen Fabrics ten years ago, (when we had comparative Free Trade in Wool and in Woollens,) and now, are as follows: —

FABRIC.	Price in 1859. (Gold.)	Price in 1869.[1] (Gold.)	Currency Price in 1869.
Flannels, per yard —			
A. and T. white	$ 0.18	$ 0.16	$ 0.21
H. A. F. scarlet	.26	.23	.30
J. R. F. twilled scarlet	.30	.29	.37½
B. twilled scarlet	.26	.25	.32½
Doubled weight scarlet twilled	.27½	.30¾	.40
F. & C.	.36	.34½	.44½
Talbot R¾ plain scarlet	.26	.25	.32½
G. M. & Co. twilled scarlet	.23	.20¾	.27
E. S.	.25	.23	.30
N. A. M.	.25	.23	.30
Ballam bale 4-4 white, No. 1.	.75	.65¼	.85
Ballam bale 4-4 white, No. 2.	.60	.53½	.70
Ballam bale 4-4 white, No. 3.	.45	.40¼	.52½
Ballam bale 4-4 white, No. 4.	.40	.34½	.45
Ballam bale 4-4 white, No. 5.	.35	.32¾	.42½
Blankets, per pair —			
Holland 10-4 all wool	3.50	4.23	5.50
Holland 11-4 all wool	5.00	5.38	7.00
Cocheco 11-4 ex. super	6.00	6.15	8.00
Cocheco 12-4 ex. super	7.50	7.30	9.50
Cumberland 10-4	3.00	3.46	4.50
Cumberland	4.00	4.23	5.50
Rochdale 10-4 super extra super	3.50	3.27	4.25
Rochdale 11-4 super extra super	4.50	4.03	5.25
Rochdale 12-4 super extra super	5.50	4.80	6.25
Rochdale 10-4 premium	4.50	4.23	5.50
Rochdale 11-4 premium	5.50	5.00	6.50
Rochdale 12-4 premium	6.50	5.77	7.50
Cassimeres, per yard —			
Broad Brook Co.'s fancy cassimeres 14 oz. goods	1.62½ @ 1.75	1.34 @ 1.44	1.75 @ 1.87½
Hamilton Woollen Co.'s (1860) per yard	.66 97/100	.52¾	.68 55/100
Shawls — Middlesex Co.'s	7.00	5.38	7.00
DeLaines — Hamilton Woollen Co.'s (1860)	.16 56/100	.13	.17 68/100

[1] Equivalent in gold (gold at 130). October average.

Salisbury Mills, boys' checks per yard (1860)	$ 0.58¾	$ 0.45½	$ 0.59½
Salisbury Mills Eugenie cloths (1860)	.94	.69	.90¼
Salisbury Mills Silk Codrington (1860)	1.52¾	1.18½	1.54⅜
Crossley Co.'s Conn., tapestry carpet	—	.96	1.25

[The imported article sold in 1859 for 95 cents.]

Whoever may have suffered from the change of policy initiated in 1861 and consummated in 1867, it seems plain that the purchasers of Woollen Fabrics for consumption have not. Though the prices of Labor and the cost of Living generally have been largely enhanced, Wool and home-made Woollens are alike cheaper in 1869 than they were in 1860.

What consequences, then, have resulted from this latest triumph of the principle of Protection as applied to Wool and Woollens?

Mr. Erastus B. Bigelow, an eminent inventor of machinery adapted to the production of Woollens, and President of the National Association of Wool Manufacturers, reports[1] our aggregate product of Wool in 1868 at 177,000,000 pounds, or nearly thrice the amount we produced in 1860; while the value of our annual product of Woollen Fabrics is given by him at $ 175,000,000, against a like product of $ 68,865,963 in 1860. And this increase in value is made in defiance of a very considerable reduction in the average price of those fabrics since 1860.

I have termed the above statements estimates; but they are founded on returns made to the National Association from the various manufactories throughout the country, with nearly all of which it is in correspondence.

[1] An Address on the Wool Industry of the United States, delivered at the Exhibition of the American Institute in the City of New York, October 5, 1869.

Their general accuracy is confirmed by the officially reported fact that, while our annual consumption has largely increased, our importation, whether of Wool or Woollens, is actually *less* in 1868 than it was in 1860. The Treasury returns are as follows: —

	1860.	1868.
Wool imported, value . .	$4,842,152	$3,915,262
Woollens imported, value .	37,937,190	32,409,759
Decrease in Wool		$926,890
Decrease in Woollens		5,527,431

That great improvement has meantime been effected in the quality and finish of our Woollens is unquestionable. The late Exhibition demonstrated this beyond cavil. We are now making not only far more but far better Woollen fabrics than we ever did prior to 1867. We are producing Broadcloths, Beavercloths, Brussels Carpets, &c., &c., which most of the purchasers suppose to be of foreign origin, and value accordingly. Of this shameful fact, Mr. Bigelow instructively says: —

"Notwithstanding the unquestionable and the generally acknowledged excellence of our wool manufactures, those manufactures still suffer, more or less, in the market, from prejudices and prepossessions which are alike ill founded. A preference for fabrics of foreign origin has very naturally come down from the time, not very distant, when our domestic products were generally inferior. Of those who now habitually insist upon buying the foreign article, some are honestly ignorant. They are not aware of any improvement in American manufactures. With others, it is the merest aping of a senseless fashion. But the delusion could not be long kept up, were it not for the interest of the dealer to sustain it. It is easy for him to make a larger profit on the imported article, from the fact that its probable cost is not so generally known. In many instances, the temptation is so strong that truth, honesty, and patriotism, make their appeal in vain. Not only are American productions systematically

disparaged, but, in a multitude of instances, these very productions are labelled as French, English, or German. The extent to which this imposition is carried is known only to those who are let into the secret. There are, probably, very few of us who have not thus been taken in. And, what I am inclined to regret as the most melancholy thing of all, is the unquestioned fact that some of the manufacturers themselves have consented to the deed. I suppose the process by which such a bargain is consummated to be somewhat as follows: A manufacturer, after much toil and outlay, is prepared to introduce a fabric not before made here. He finds the market, however, fully supplied with the foreign article. Those who hold it give him no encouragement; for they know that the introduction of the domestic product must lessen their chance for high profits. Between him and the consumer (who must be reached somehow, or his enterprise fails) stands a class of men whose interest it is to sell foreign rather than domestic goods. The result is a compromise. Says the dealer to him: 'I like your goods; but I cannot sell them as American. Give them a foreign brand, confine the product of your mill to me, and I will take all that you produce.' The poor manufacturer, seeing no alternative, closes the unhallowed bargain."

The Woollen manufacture of Great Britain is at least one thousand years old; indeed, it is known to have obtained a considerable importance while England was subject to the Romans. The kindred manufactures of France and of Belgium have likewise been many centuries in existence, and have naturally attained great perfection, through the accumulation of capital, the progress of invention, and like causes. Ours is of comparatively recent origin; for, while a few rude "fulling-mills" and small manufactories were established among us even before the Revolution, the development and importance of our Woollen industry may fairly date from the passage of the Tariff of 1824, while nearly all our great Woollen mills were built since the passage of the Tariff of 1842.

If, therefore, our Woollen manufactures were still relatively crude and imperfect, that circumstance need not excite surprise; but the fact is otherwise. The able Report of Mr. Mudge on the Great Paris Exposition, already quoted, says: —

"The many practical manufacturers who have recently visited Europe for the express purpose of studying its industries, concur in declaring that in these respects we are on an equality with the most advanced nations. Laying aside the supposed advantages which we have in the possession of water-power, upon which far too much stress is laid in popular estimates, we apply everywhere, in our fabrication of woollens, the factory system, and make the utmost use of mechanical power, while handicraft processes are still largely used abroad, especially in weaving. For the preparation of card-wool, no machinery at the Exposition equalled in efficiency the American burring machinery exhibited, such as is in general use here. In the carding of wool, no improvements were seen at Virviers, one of the chief centres of the card-wool industry in Europe, which we do not have in use. About the same number of hands were employed at the cards as here. Spinning in large establishments abroad is usually performed by mules; while jack-spinning is more generally adopted in New England, as better suited to the different qualities and quantities of yarns demanded by the variety of fabrics usually produced in our mills. The mules used here are of equal efficiency with those in the best mills of Europe. With respect to weaving, it was remarked that looms were being constructed at Virviers such as we would not put into our mills to-day. It was also remarked that no European looms for weaving fancy goods were shown at the Exposition which would bear comparison with the Crompton loom; and, even upon that admirable machine, great improvements are known to be in progress. The other processes of manufacture, such as dyeing, are the same as in Europe. When we take into consideration the greater energy and intelligence of our better fed and better educated workmen, the necessary use of every labor-saving process, on account of the higher cost of

labor here, and the admitted superiority in construction of American machinery, it may be safely asserted that a yard of cloth is made in this country with less hours of human labor than one of equal quality and the same degree of finish abroad. In other words, a week's labor will produce more yards of cloth in an American than in a European mill."

"Well; if such be the case, what further need of Protection?" triumphantly queries a Free-Trader. The Report proceeds to answer as follows: —

"But it is said that a yard of cloth costs less in Europe than in the United States. Even this statement requires qualification; for the American laborer can purchase here more yards of cloth with the produce of a day's work than the European laborer: the ratio of the price of cloth in this country, to-day, not being in proportion to the ratio of the rate of wages of ordinary labor. It is still true that the money cost of producing cloths is greater in this country than in Europe. From what has been said, it is apparent that the greater money cost of fabricating cloths is not due to any want of natural advantages or any deficiency in skill and effective labor on the part of the American manufacturer. It is not true of this industry, as is often asserted by theorists, that it has a sickly and hot-bed growth, sustained only by artificial stimulus, and rendering its production as unnatural, to use Adam Smith's often quoted comparison, as that of wine produced from grapes grown in the greenhouses of Scotland. The higher cost of production in this industry is due, solely, to natural causes inherent in the condition of a new country and a progressive people, to the higher rates of the interest on capital required to initiate and sustain industrial enterprises, and the higher rates of wages demanded by the greater social and educational requirements of our industrial population."

The Pacific Mills, Lawrence, Mass., are, I believe, much the largest producers of Woollens in America, and perhaps in the world. The following table shows the prices actually paid for Labor therein: —

Per Week.	Pacific Mills, Lawrence, Mass. *Currency.*	Pacific Mills, Lawrence, Mass. *Gold* at 133⅓	Great Britain. *In Gold.*	France and Switzerland. *In Gold.*	Belg'm and Germany. *In Gold.*
Children under 15 years	$ 2.40	$ 1.80	$ 0.72	$ 0.40	$ 0.56
Common workers in carding	5.00	3.75	2.36	1.20	1.40
Experienced women in carding room	7.20	5.40	2.88	1.44	1.64
Weavers, females, average of plain and fancy-work	8.55	6.40	3.98	1.80	1.80
Common men mill-laborers	9.00	6.75	4.32	...	...
Spinners and experienced male workers	11.50	8.62	6.24	2.96	2.96
Dresser-tenders, men, average	16.68	12.51	8.40	...	...
Men, overlookers	13.50	10.12	7.20	...	...

We have in this country fewer holidays, with less interruption of regular work by the stopping of mills, than they have in Great Britain, and there is a larger proportion earned per annum than would appear by the above weekly statement.

Professor Leone Levi, of London, in his report upon "Estimates of the Earnings of the Working Classes," page 13, gives the average earnings of 551 workers in a cotton-mill at 14 *s.* 10 *d.* sterling, or $ 3.56 per week. This work was published in 1867. There has been no essential change in the wages paid at the Pacific Mills since that year. In April, 1869, the wages of the 2,997 of their mill operatives (being the whole number employed at that date) averaged $ 7.83 (equal to $ 5.87 in gold) per week: showing a weekly difference of $ 2.31 (gold) in favor of the American work-people. Skilled work-women, single, such as weavers, earn at Pacific Mills from $ 4.75 to $ 6.85 ($ 3.56 to $ 5.14 gold) above the cost of their board, lodging, and washing. In Great Britain, the excess of the earnings of such persons above the cost for same items is about $ 1.58. Skilled men mill-workers, single, as spinners, weavers, and dresser-

tenders, earn above their outlay for board, lodging, and washing, $ 7.25 to $ 12.43 ($ 5.44 to $ 9.32 gold). This class in Great Britain earn a like excess of $ 2.88 to $ 5.04 weekly.

The work-people of the Pacific Mills are, of course, to a large extent, unmarried persons. In April, 1869, there were 781 housekeepers employed in a total of 4,086 persons. Of these 781, there were 227 living in their own tenements; and the value of the houses and lands thus owned by these work-people was $ 413,163, or an average of $ 1,820 for each person, — saved, to a very large extent, out of their own earnings.

The amount deposited with the cashier of the corporation by the work-people for safe-keeping during the past two years is $ 80,732, of which $ 54,648 has been withdrawn, leaving on deposit $ 26,084. This is irrespective of the sums deposited in the savings-banks of the city, which are believed to be very large.

In 1867, when provisions were in some items higher than now, of eight families, numbering, including adults and children, forty-six persons, taken indiscriminately among the work-people at the Pacific Mills, and whose heads earned at least $ 13 (currency) per week, the cost of food and rent for each person per week was $ 2.24 (currency). Supposing that prices have not materially fallen since, the average cost per week in gold of the living of each adult is at present $ 1.68.

These, then, are the results already realized from the Protection afforded to our Wool and Woollen industry by the increased duties imposed by the Tariffs of 1861 – 67 inclusive: —

I. A very considerable increase of our annual production of Wool, and a much larger extension of our Woollen manufacture.

II. A consequent and important increase in the amount paid for Labor employed in our Woollen industry, in good

part to women and children, whose earnings and acquired skill are substantially so much added to our National wealth.

III. A very decided improvement in the quality and finish of our Woollen fabrics, especially Shawls, Cassimeres, Beavercloths, and other descriptions intended to be worn as outer garments; and

IV. All these advantages secured without cost to our consumers; since the average prices of substantial, serviceable Woollen fabrics are actually *cheaper* (in gold) to-day than they were ten years ago.

That I am not mistaken on this head, I choose to establish and confirm by the best Free Trade authority. The Evening Post of October 6 is eagerly quoted by The Manchester Guardian (England) as thus triumphantly proclaiming "What Protection has done for the Woollen trade of the United States":—

"The wools of Europe, of the Cape of Good Hope, of Australia, and of Brazil, were excluded here by the duty; they filled the markets of Europe, so that the price there fell lower than ever before. English manufacturers, with far cheaper wool, and a specie currency, made goods at a price which defied competition by the United States; and thus both our raw wool and our cloth were driven from all foreign markets. Even the enormous duties on manufactured woollens could not 'protect' our mills against their cheap cloths; they are undersold even at home by the British, although these duties are so high that nothing but extensive smuggling can account for the low prices of many foreign cloths in the United States. But the advantage of the European mills in all the finer fabrics is so great that, even after paying 50 cents per pound, and 35 per cent. on their value besides, they can sell their goods here more cheaply than those made here. Our mills are ruined; and those who want to enjoy the blessings of Protection have plenty of chances now to buy well-appointed factories at a small percentage of their actual cost. Nor are the wool-growers better off. The inquiry for the raw material here has been discouraged by this breaking up

of the trade, so that it has brought them fewer cents in paper since the high tariff was passed than it did in gold before. Meanwhile, the people at large have suffered. Every person in the country is a consumer of woollen goods; and every one is heavily taxed by these oppressive duties. Those who wear broadcloth and walk on luxurious carpets pay so much more for them that they have less of a surplus left to employ other industries. The poor man's bed is less warm, and his home less comfortable; for he must buy lighter blankets and inferior carpets or none at all. Thus the whole community has been injured; and *even the classes to whom these duties were designed to secure a monopoly have gained nothing.* These facts are now widely known, and are producing their natural effect upon intelligent men. Some of the leading manufacturers of woollen goods are coming to the support of the principles to which they have so long been blind. Thousands of the wool-growers see clearly why they are not prospering, and demand a repeal of the taxes on the necessaries of life; and the people, whose only interest is to get the best goods at fair prices, are beginning to ask why oppressive duties, which benefit nobody, should be maintained."

This testimony of a bitter adversary to Protection is certainly trustworthy to the extent of its bearing in our favor; and I cannot be wrong in inferring that, with cheaper Wool, a largely increased product of American Woollens, and no profit to the manufacturers, our consumers *must* be supplied with home-made Woollens at low prices, as I have already shown that they are. Since we are importing fewer, and making at least twice as many Woollens as we did ten years ago (all of which find markets among our own people), if "our mills are ruined," as The Post asserts, and "well-appointed factories for sale at a small percentage of their actual cost," then it is clearly untrue that Protection exaggerates prices and robs the consumer to enrich the manufacturer. Certainly, those mills are *not* "ruined" by making from cheapened Wool goods that sell much higher, in an expanded market, than they did ten years ago, when Wool

was higher and our consumption of American Woollens much less. Can it be necessary that I enlarge on this head? Is not the demonstration conclusive on a mere statement of the case?

Let me assume that my readers can need no more argument on this point, and close with simply citing the *law* which underlies and governs the facts, as set forth by Alexander Hamilton in his masterly Report to Congress on the expediency of encouraging Manufactures, nearly eighty years ago: —

"But though it were true that the immediate and certain effect of regulating or controlling the competition of foreign with domestic fabrics was to increase the prices, it is universally true that the contrary is the *ultimate* effect with every successful manufacture. When a domestic manufacture has attained perfection, and has engaged in the prosecution of it a competent number of persons, it *invariably* becomes cheaper. Being free from the heavy charges which attend the importation of foreign commodities, it can be afforded, and accordingly seldom or never fails to be afforded, cheaper, in process of time, than the foreign article for which it is a substitute. The internal competition which takes place soon does away with everything like monopoly, and by degrees reduces the price of the article to the minimum of reasonable profit on the capital employed. This accords with the reason of things and with experience. Whence it follows that it is the interest of a community, with a view to eventual and permanent economy, to encourage the growth of manufactures in a national view. A temporary enhancement of price must always be well compensated by a permanent reduction of it."

Possibly we have now abler statesmen than Hamilton and his fellow-founders of our National existence, though I really do not know where to look for them. I cannot realize that views broader, more sagacious, more luminous, than those of Hamilton, whereof I have just given a sample, are day by day vouchsafed us by Brick Pomeroy, S. S. Cox, The World's buffoon, and Professor Perry.

XXII.

IMMIGRATION.

That Population is a main element of National strength, — that its rapid, persistent increase implies National growth and prosperity, — that the voluntary migration of thousands from their native land to one far distant, especially if its language, religion, customs, institutions, &c., differ widely from those in which the emigrants have hitherto delighted, argues a decided predominance of attractions and advantages in the land they seek, over that they abandon, — can scarcely need demonstration. Fanaticism may, indeed, impel thousands of its votaries to leave a fertile for a naturally sterile and forbidding region; but such migrations are of rare occurrence, and are as usually limited in area as transient in duration. Religious persecutions have driven thousands from the soil they would gladly have clung to till death; but these have exerted little influence on the peopling of our country since her independence, and seem unlikely to prove more potent in the next century than in the last. It is within the truth to estimate that fully nine-tenths of those who have, since 1660, come hither from Europe in voluntary quest of new homes, have been mainly impelled by the hope of thus improving their pecuniary or social condition, and securing for their offspring larger opportunities and fairer prospects than those on which their own eyes first opened.

If the impression prevails that our country has been,

ever since her independence was established, the cynosure and chosen home of the less fortunate millions of the Old World, that impression is grounded in error. So long as our industry remained almost exclusively Agricultural, our annual Immigration was inconsiderable, although the system under which a foreigner might bind himself to a sea-captain (or the owners of his vessel) to serve one, three, five, or seven or more years after reaching our shores, in payment of his passage, was plainly calculated largely to swell the volume of such Immigration, while by no means improving its quality. Thousands of these "redemptioners" were thus cast upon our shores who would never, in all human probability, have made their way hither had they been required to earn and save the needful passage-money before embarking. And the redemption system, however objectionable as a whole, was not without beneficent features. The immigrant was not put ashore, on landing in America, to make his way as he might, among a people to whom his garb was strange, and his manners seemed uncouth, while his speech was often utterly unintelligible. The captain or consignee, in selling his services for the specified term, provided him with a home and insured him against present starvation; if he landed without skill in any useful art, he was morally certain to acquire some industrial proficiency while working out his passage. I presume the system under which China is now pouring her superabundant millions upon the Western hemisphere does not differ essentially from that our fathers tolerated and legalized, yet which we have long since discouraged and discarded.

If a hundred persons, taken indiscriminately, were severally asked to indicate the chief impulse to migration, probably the answers of nine-tenths of them would point to density of population in one country, paralleled

by sparseness in another; yet they would hardly be sustained by the facts. I judge that thinly peopled Scotland, Switzerland, or even Norway, supplies more emigrants to the New World than teeming London, Paris, or Lancashire. The general truth that *population tends to abandon purely agricultural regions for those, more densely peopled, whose industry is diversified,* is illustrated by what is perpetually going on in our own country, in Canada, and in many others. Says The New American Cyclopædia :[1] —

"It is a significant fact that the emigration from some European countries — Rhenish Prussia, and Westphalia, for instance — *is in an inverse ratio to population.* That is to say, the largest number emigrate from the most thinly settled agricultural districts; these having, relatively, a larger overpopulation than those in which agricultural and manufacturing pursuits are combined."

The readers of these essays will not be at a loss for the reason of this anomaly, superficially considered.

Though the fearful and wide-spread convulsions attending and following the French Revolution, reducing multitudes from wealth and comfort to want and misery, driving many into exile and expelling myriads from their homes, would seem calculated, especially when supplemented by the "redemption" system, to have flooded our shores with immigrants, the number actually drawn or driven hither throughout our Free-Traders' golden age of low tariffs and exclusive devotion to Agriculture, was surprisingly small. Samuel Blodgett, who wrote in 1806, and who is indorsed by Bromwell, in his History of Immigration, written half a century later, as "a statistician of more than ordinary research and accuracy," affirms that the immigrants to this country in the ten years prior to 1794 did not exceed 4,000 per annum;

[1] Article on Emigration, Vol. VII.

and, though 10,000 were supposed to have come hither in 1794, the current forthwith subsided; so that the Hon. Adam Seybert (M. C. from Pennsylvania), writing in 1818, estimates the average migration hither, from 1796 to 1810, at 6,000 per annum; and he adds that, admitting 10,000 to have come over in 1794, that number remained without parallel down to 1817. In that year, 22,240 persons arrived at our ports; of whom, after due deduction for voyagers on business or for pleasure, we may estimate the immigrants who remained with us at 15,000.

By an act of Congress approved March 2, 1819, collectors of customs were required to keep a record and make a quarterly return to the Treasury of all passengers arriving in their respective districts from foreign ports; and these reports, duly condensed in the Department, are the chief bases of our knowledge of the subsequent growth and progress of Immigration. Mr. Bromwell's volume,[1] being compiled from official sources, may, so far as it speaks, be trusted implicitly; and it gives the total number of foreign-born passengers arriving at the ports of the United States in the several years from 1820 to 1855 inclusive, as follows: —

1820	8,385	1827	18,875
1821	9,127	1828	27,382
1822	6,911	1829	22,520
1823	6,354	1830	23,322
1824	7,912	1831	22,633
1825	10,199	1832	[2]60,482
1826	10,837	1833	58,640

[1] History of Immigration into the United States. By Wm. J. Bromwell, of the Department of State. Redfield, New York, 1856.

[2] Hitherto, each year has closed with September; but for this and the ten following years the arrivals during the *calendar* year are given, so that the return for 1832 contains the arrivals for five quarters, or fifteen months.

1834	65,365	1845	114,371
1835	45,374	1846	154,416
1836	76,242	1847	234,968
1837	79,340	1848	226,527
1838	38,914	1849	297,024
1839	68,069	1850	[2] 369,980
1840	84,066	1851	379,466
1841	80,289	1852	371,603
1842	104,565	1853	368,645
1843	[1] 52,496	1854	427,833
1844	78,615	1855	200,877

[NOTE. — The greatly increased volume of Immigration which, beginning to swell in 1849, reached its maximum in 1854, was doubtless impelled by the discovery of Gold in California in 1848, with the consequent rush of thousands thither, and the resulting momentum imparted to both our Agriculture and our Manufactures by the new and rapidly expanding markets opened to them on the Pacific.]

This table exhibits vividly the growth and progress of Immigration to this country from its inconsiderable infancy to its ripe maturity; and I submit that no fair mind can gravely deny that it is a direct consequence of the establishment and growth of our Home Manufactures. So long as our industry remained almost exclusively Agricultural, we failed to attract any considerable Immigration: the total number of immigrants for the forty years which followed the establishment of our Independence not having exceeded 300,000; while during the next forty years — which may be designated by comparison our Manufacturing era — our annual increase of population from this source mounted from a maximum of 10,199 to one of 427,833, and our aggregate accession

[1] In 1842, the fiscal year was changed again, so as to close with September; so this is the return for but *three* quarters, as that of 1832 was for *five*.

[2] Changed back again; so that this return includes the arrivals for *five* quarters.

of inhabitants from abroad was about Four Millions. And, in spite of our great Civil War, our gain by immigration during the last thirteen years must have largely exceeded Two Millions.

Nor is this all. A very large proportion of these immigrants approach our shores in the flower of their youth or in the early prime of life, and soon become parents of vigorous, hardy children. Much has of late been absurdly said of the decay of the reproductive power, especially of our primitive New England stock, and of the prospect that this will soon be supplanted around the very hearth-stones of the Puritans; the grain of truth at the bottom of this heap of chaff being simply this: New England has for half a century been sending forth the most enterprising and energetic of her sons and daughters to people and civilize the vast regions which lie between her and the Pacific; and she has been proffering homes and work in their stead to the physically robust but intellectually less developed youth of Western Europe and of Canada. Of course, a very large proportion of those now born on her soil are children of foreign-born parents, just as a large portion of those born in the Great West proudly trace their origin back to a New England ancestry. I presume that this transfusion of blood is beneficial both to the East and the West; and I do not apprehend that the original New England stock is in any more danger of being supplanted or run out at home than Ireland is of ceasing, because of emigration, to be Irish.

Of the immigrants who landed on our shores in the forty years ending with 1860, there came from different countries as follows: —

Great Britain and Ireland	2,750,874	Germany	1,546,476
France	208,063	Holland	21,579
		Mexico	17,766

West Indies	40,487	Italy	11,202
Sweden and Norway	36,129	Belgium	9,862
South America	6,201	Denmark	5,548
The Azores	3,242	Portugal	2,614
Sardinia	2,030	Poland	1,659
Russia	1,374	All other and not stated	318,140
Switzerland	37,733		
China	41,443		
Total			5,062,414

[Note. — Of the large number who came to us from British ports, it is probable that fully 2,000,000 were Irish, while a considerable number had made their way from Germany, France, Belgium, Sweden, &c., to Great Britain, thence embarking for this country. So a considerable proportion of those who embarked from French ports were probably Germans, Belgians, or Swiss.

Up to a recent period, fully half of our immigrants were of Irish birth; but of late migration from Ireland has fallen off, while that from far more spacious and populous Germany has largely increased, so that the last-named country (or countries) is probably sending, and will henceforth send, us more people than all the British Isles. The migration hither from Sweden, Norway, and Denmark (sometimes grouped as Scandinavia), has also largely increased; being mainly attracted to the congenial climate of Wisconsin, Minnesota, and their vicinity.]

Since 1855, the whole number of persons, other than natives of the United States, who arrived as passengers at our ports was in each year as follows: —

1856	200,436	1863	176,282
1857	251,306	1864	193,418
1858	123,126	1865	248,120
1859	121,282	1866	318,554
1860	153,640	1867	298,358
1861	91,920	1868	297,215
1862	91,987		
Total in 13 years			2,565,644

While it is probable that this somewhat exceeds the whole number of immigrants, — many persons of foreign birth arriving by sea who were not immigrants, but mercantile or other travellers, — it should be considered that thousands annually migrate hither from (or through) the Canadas, who do not count in the above exhibit, not having reached us by sea. Thousands annually leave Great Britain and Ireland in vessels whose destination is British America; but their emigrant passengers are scarcely landed in the New World ere they strike a bee-line for the United States. Others give the Canadas a trial, but are soon driven thence, by their comparative lack of enterprise and dearth of employment, to the greater activity, more rapid growth, and ampler wages, proffered by the Union.

Of the above aggregate immigration for thirteen years, there came to us from different countries as follows: —

British Isles	1,215,600	Germany, including Austria	911,426
British America	108,531	China	65,943
Sweden and Norway	58,289	Holland	11,205
Denmark	13,043	West Indies	10,745
France	49,383	Spain	10,340
Switzerland	24,539	Belgium	8,245
Italy	13,088	Russia	1,761
Hungary	487	Poland	2,209
Azores	4,588	Portugal	2,090
Central America	3,351	All others	48,329
South America	2,452		

For the last fiscal year, closing with June, 1869, there came to the United States by sea, other than natives of this country, no less than 352,569 persons, of whom 214,746 were males, and 137,283 females. They hailed from different countries as follows: —

Great Britain and Ireland	125,224	Germany and Austria	132,537
British North America	20,918	France	3,879
Sweden and Norway	40,292	Switzerland	3,650
China	12,874	Denmark	3,649
Belgium	1,922	Italy	1,488
Holland	1,134	Spain	1,123
		All other countries	3,879

Frederick Kapp, one of our State's Commissioners of Emigration, in a paper recently read by him before the Social Science Association, sums up the influence of political and commercial convulsions and of good or bad harvests upon the volume of European migration hitherward, as follows: —

"The difficulty experienced in disposing of property at satisfactory prices prevented many from leaving the Old World immediately after the close of the Napoleonic wars. But the great famine of 1816-17 drove several thousands over the ocean. Here it may be stated that, from that time forward, the moral and material causes of immigration, above alluded to, regularly governed the numerical proportions of the influx of Europeans into the United States in successive years. To prove the controlling influence exercised over immigration by material misery, on the one hand, and political oppression on the other, a few statistical data will suffice:

"While, in 1826, of 18,837 immigrants, 7,709 came from the British Isles, in 1827 their number increased to 11,952 of 18,875, and in 1828 to 17,840, of a total of 27,283; but in 1829 their number fell to 10,594 of 22,530, and in 1830 to 3,874 of 23,322 souls. These fluctuations were due to the great commercial panic of 1826, and the distress in the manufacturing districts of England, as well as the famine in Ireland, which drove thousands from their homes who, under ordinary circumstances, would never have thought of emigration.

"Again, in Germany, where the abortive revolutionary movement of 1830-33, the brutal political persecutions of

the several State governments, and the reactionary policy of the Federal Diet, as well as a general distrust of the future, produced an unusually large emigration. In 1831, only 2,395 Germans had arrived in the United States; in 1832, 10,168; in 1833, 6,823; and in 1834 to 1837, the years of the greatest political depression, 17,654, 8,245, 20,139, and 23,035, respectively.

"The emigration from Ireland, which from 1822 rose much beyond its former proportions, reached its culminating point after the great famine of 1846. During the decade of 1845 to 1854 inclusive, in which period the highest figures ever known in the history of emigration to the United States were reached, 1,512,100 Irish left the United Kingdom. In the first half of that decade, viz. from January 1, 1845, to December 31, 1849, 607,241 went to the United States; and in the last half, viz. from January 1, 1850, to December 31, 1854, as many as 904,859 arrived in this country. With this unprecedentedly large emigration, Ireland had exhausted herself. Since 1855, her quota has fallen off to less than one-half of the average of the preceeding ten years.

"Almost coincident in point of time with this mighty exodus from Ireland was the colossal emigration from Germany, which followed the failure of the political revolutions attempted in 1849 and 1851. Already, in 1845 and the following years, the German contingent of emigrants to the United States showed an average twice as large as in the same space of time previous to the year named. But a voluntary expatriation on a much larger scale resulted from the final triumph of political reaction. The *coup d'état* of Louis Napoleon closed for all Europe the revolutionary era opened in 1848. In the three years preceding that event, the issue of the struggle of the people against political oppression had remained doubtful. But the second of December, 1851, having decided the success of the oppressors for a long time to come, the majority of those who felt dissatisfied with the reactionary *régime* left their homes. The fact that the largest number of Germans ever landed in one year in the United States came in 1854, showed the complete darkening of the political

horizon at that time. The apprehension of a new Continental war, which actually broke out a year later in the Crimea, also hastened the steps of those who sought refuge in this country. People of the well-to-do classes, who had months and years to wait before they could sell their property, helped to swell the tide to its extraordinary proportions. From January 1, 1845, till December 31, 1854, there arrived 1,226,392 Germans in the United States; 452,943 of whom came in the first five years of this period, and 773,449 in the last five.

"But the numerical strength of immigration to this country is not governed solely by the manifestation in Europe of material and moral disturbances. While bad crops, commercial and industrial crises, and unfavorable turns in political affairs in the Old World, tend to increase immigration, the appearance of the same phenomena in the United States as certainly tends to decrease it. Thus, in 1838, the total of immigration decreased to 38,914, while in the previous year it had amounted to 79,340, and in 1839 and 1840 it increased again to 68,069 and 84,066, respectively. The reason of this extraordinary decrease was the great financial crisis of 1837, which shook the foundations of the whole industrial and agricultural life of the United States. Again, the influx of aliens into New York was smaller in 1858 and 1859 than in any previous year since 1842, for the only reason that the commercial crisis of 1857 had frightened off many of those who wanted to make a living by the labor of their hands. In 1858 and 1859, only 78,589 and 79,322 emigrants, respectively, arrived in New York; while in 1856, their number amounted to 142,342, and in 1857, to 186,733. In 1860, it rose to 105,162; but, in consequence of the civil war, which broke out in 1861, it fell again in 1861 to 65,539, and in 1862 to 76,306. In 1867, the German immigration to New York increased over that of 1866 by more than 10,000, in which last-mentioned year it had already reached the large number of 106,716 souls. Its ranks were swelled in 1867 in consequence of the emigration of men liable to military service from the new provinces annexed to Prussia in 1866, and of families which were dissatisfied with the new order of things. Hanover contributed the largest share of this kind of emigration. In 1868, the

tide subsided again, as people began to become reconciled to the sudden change.

"In short, bad times in Europe regularly increased, and bad times in America invariably diminished, immigration."

In the last century, and, measurably, throughout the first quarter of this, the immigration to this country, being largely made up of "redemptioners," added little to our national wealth beyond the value embodied in their stout and willing arms. Since then, however, their average pecuniary condition has steadily improved, until Mr. Kapp's estimate — founded on much observation and intimate knowledge — makes the average value of the property they bring with them $150 per head, which, if they number 250,000 per annum, gives an addition to our national wealth of $37,500,000 from this source. Of this aggregate, probably $20,000,000 comes in the form of money, or of bills of exchange, which subserve the same end in reducing the heavy balance of trade against us.

Nor is this all. The official returns clearly indicate an improvement in the industrial capacity of our immigration. In the four years 1857 – 60 inclusive, the number of immigrants reported as mechanics was but 56,194; while, for the four years 1865 – 68, the number so reported was 87,421, — an increase which I am confident would not have been shown had not the former been an era of relative Free Trade, while the latter was one of Protection.

Immigration is not an unmixed good. Very much depends on its quality. Said stout, sensible, practical Captain John Smith, writing home to the London Company which had employed him to found the Colony of Virginia, from amidst the unpromising material with which they had supplied him, "When you send again, I

entreat you rather to send but thirty carpenters, husbandmen, gardeners, fishermen, blacksmiths, masons, and diggers-up of trees'-roots, well provided, than a thousand of such as we have." A good many colonizers and founders of States have preferred similar requests, though seldom with equally pressing reasons for so doing. If all the thieves and harlots, blacklegs and beggars, of Europe, were to proffer us assurances of their distinguished consideration, proposing to honor us with the light of their countenances on and after the opening of the next Spring, we should doubtless advise them of our ability and willingness to spare them that proof of their affection. Their coming would add largely to our numbers, but nothing at all to our strength, our worth, or our happiness. Hence, we have always repelled, as adding insult to injury, every detected attempt of German princelings or Belgian municipalities to saddle us with the care and subsistence of their criminals, vagrants, or paupers. Doubtless, these have, through collusion with sea-captains, been thrown upon our charity by thousands without eliciting even a remonstrance; but that was because the wrong was committed so adroitly as to escape detection: whenever we have learned that a European prison or poor-house had been emptied on our shores, we have resented it as a dastardly outrage. And, on the other hand, we have welcomed every immigrant, no matter how poor and illiterate, who brings hither an honest heart and two brown hands, as a positive and valued acquisition. Though he have less than a sovereign or napoleon in his pocket, if he steps ashore able and willing to wield the spade and the pick-axe, he is prized as an accession to our strength and our wealth.

And, while a stout ditcher or collier is justly thus valued, a thoroughly skilful and capable engineer or artificer is a still more precious acquisition. In winning

Agassiz from Europe, we secured an acquisition of greater value than twenty day-laborers; could we at the same time have won Liebig likewise, we should have justly been more proud of our acquisition than though it had been another Alaska or St. Thomas. Had it pleased God to send us Watt and Arkwright and George Stephenson in their early manhood, the gift would have been worth more to us than Canada or Mexico.

Now, one inevitable consequence of the establishment of Manufactures on our soil has been the attraction to our shores of a higher order of industrial ability (or *faculty*, to use a good old word in its wholesome Yankee significance) than we formerly did, or could otherwise hope to do. We could not expect to draw men of high capacity hither until we could proffer them congenial and remunerative employment. A Roebling or an Elias Howe is even less likely to be attracted to citizenship in Paraguay or Abyssinia than to be developed among her indigenous population. If we had been content with Agriculture as a National pursuit, we should no more have drawn hither the better class of European artisans than developed the inventive and higher industrial powers of our native-born population. As it is, while we have, on the one hand, enriched the world by our great inventions, we have, on the other, enriched ourselves by putting to use among us the great inventions simultaneously produced on foreign soil.

When Louis XIV., misnamed the Great, revoked the edict of Nantes, whereby Henry IV. had guaranteed religious liberty to all Frenchmen of whatever communion, — when Louis set on his "booted apostles" to hunt the Protestants out of France or out of the world, — he did not realize that he was driving away the most precious wealth of his kingdom. It was not the mere loss of a million and a half of her people, that thus crippled and

impoverished France; it was the fact that these were in large measure manufacturers and artisans, the most intelligent, ingenious, and skilful of her people. They carried with them, into their enforced exile, arts which their native land, so unworthy of them, could hardly spare; they bore away to Germany, Holland, Great Britain, industrial devices and processes, the loss of which France still mourns. Her marvellous genius, Palissy, who lived to exalt by his achievements Pottery from its former low estate into one of the rarest and loftiest of the useful arts, was nearly lost to her by this stupid, brutal despotism, which failed to see in persecution for conscience' sake the invasion of a most sacred and inestimable right, — a right essential not only to moral and intellectual health and growth, but even to the physical and social well-being of civilized man.

For the last few years, the champions of Free Trade have asserted and attempted to demonstrate an actual superiority in the essential recompense and social condition of the Laboring Class of Great Britain over that of their brethren in this country. Statistics in abundance have been produced and figures manipulated with the intent of proving that a working-man's wages in England will procure him better food, clothing, and shelter, than the wages of his American counterpart will buy in this country. "You can do anything with bayonets but sit on them," says a pithy apothegm; and so you may do anything with statistics but overbear the most palpable, indisputable facts. The undeniable truth that one hundred persons migrate hither from the British isles and colonies, to improve their condition by their own industry, for every one who, with like intent, migrates hence to those isles, brushes away the cobwebs of sophistry and places the truth beyond contradiction.

Vast as has been the volume of migration to this

country for the last quarter of a century, it has manifestly not yet reached its maximum. The building of one Pacific Railroad through the heart of our country, soon to be followed by others, facilitates and invites an immense and rapid expansion of our Mining and the subsidiary pursuits, thus opening new and eager markets for the products of the farm, the workshop, and the factory. The valleys of the streams issuing from either flank of the Rocky Mountains, but more especially on this side, are rapidly filling up with herdsmen and farmers, who find, in the mining camps of the adjacent "foothills" and more elevated crests and ridges, a market for nearly every edible they can produce. Recent discoveries of boundless coal-fields in Utah, among the "Black Hills" of Wyoming, beneath the valleys and plains of Colorado, with an abundance of the ores of Iron and all the baser Metals, presage an early erection of furnaces and works for the reduction of various ores throughout the rugged interior of our continent. Cotton is now grown with profit in southern Utah; the young vineyards of New-Mexico promise early and ample harvests; while exploration southward from Salt Lake and White Pine indicate less sterility and far greater natural wealth throughout the wild regions tributary to the great Colorado than have hitherto been accorded them. In spite of many failures and disappointments, our production of Gold and Silver must be far ampler ten years hence than it has ever been yet. Perhaps no such enormous deposits of Gold already mined by rivers and runnels, working silently and unobservedly throughout so many past ages, as dazzled the vision of our California pioneers, will ever again be unearthed; for I know no other region whose streams, plunging swiftly down the steep face of a high mountain-range, have worn such deep gorges and concentrated their heavier minerals in such narrow sand-beds;

but barely a fraction of the precious metals imbedded in the primitive rocks of our Pacific slope has yet been extracted, while enough remains undisturbed to pay the public debts of all nations without a sensible diminution of its volume. Illimitable is the demand for Labor to develop this measureless wealth; and every man actually engaged in Mining requires the services of several other men as producers of Machinery, of Food, of Fabrics, to sustain him at his work and give efficiency to his efforts. Vainly do we look to Europe to purchase and consume our surplus Food: her markets are inevitably capricious and her prices unremunerative: but with our Railroads traversing Arizona, Montana, Idaho, our Mines fully opened and worked, our Manufactories supplying our own ever-expanding wants, and our People uniting, hand in hand and eye to eye, to sustain every Home interest and develop every Home resource, a new era in National growth will be opened, and our Immigration in the future wholly eclipse and belittle the grandest realizations of the past.

[NOTE. — Nothing can well be more fallacious than the Free-Traders' computations of the number of persons actually employed in and subsisted by our Mining and Manufacturing industry. For every person returned in the Census as making Iron, there will be at least a score cutting wood, burning it into charcoal, making roads, bridges, &c., mining coal, quarrying limestone, &c., &c., — all of them impelled, and paid so to do, by the fact that the furnaces require their labor, or its product, — all, in verity, engaged in making Iron.]

XXIII.

SPECIFIC—AD VALOREM—MINIMUM.

A *specific* duty is one which exacts so much money per yard, per pound, per ton, on the importation of an article, without regard to fluctuations in the value or price of that article. An *ad valorem* duty exacts such a percentage of the appraised, sworn, or invoice, *value* of the article or articles imported. A *minimum* is established when the act provides that all Woollen dress cloths (for instance) which are invoiced, appraised, or sworn, to be worth or to have cost *less* than one dollar per square yard, shall be taken and deemed to have cost one dollar per square yard, and charged with duty accordingly.

I am not aware that the minimum principle was employed in framing any American Tariff prior to 1816, when Mr. Lowndes of South Carolina proposed that all imported Cotton fabrics invoiced or appraised as costing less than twenty-five cents per square yard should be taken and deemed to have cost that sum, and charged with duty accordingly. The duty on Cotton fabrics being fixed at twenty-five per cent., this provision raised the impost on all imported Sheetings, Shirtings, Calicoes, &c., to 6¼ cents per square yard at the lowest, and thus gave to our infant Cotton manufacture a protection which enabled it to flourish and expand throughout the succeeding years. Indeed, Mr. Calhoun, in defending this provision, frankly stated that its object was to place the stability and growth of that manufacture beyond

contingency, — as it did. For, though twenty-five cents per square yard may have been a fair estimate of the average value of Cotton fabrics when that Tariff was framed, yet the rapid expansion of our Cotton culture, resulting in lower and yet lower prices for the staple, paralleled by the strides continually made in inventions which rendered more effective the machinery and processes for spinning and weaving the staple, cheapening at once production and product, ultimately reduced the price of many common but serviceable Cotton fabrics below ten cents per square yard; so that the duty, though still nominally twenty-five per cent., was more efficiently Protective than would have been one of one hundred per cent. lacking the *minimum*.

A cardinal objection to Ad Valorem duties, upon imported articles which compete directly and depressingly with the products of our own industry, is this: *Such duties must always be lowest when they should be highest, and highest when the need of them is least.* Let us suppose, for illustration, that British Pig Iron of fair quality can be sent to us at a cost of £4, or $20 per ton; and the duty is thereupon fixed at twenty-five per cent., making the cost in this city of the British Pig $ 25 (gold) per ton; while our smelters can just afford to make it at that price. But the British product is put down to $ 15 per ton; consequently, the duty falls to three-fourths of its former amount, reducing the price of British Pig in our market below $ 20 per ton, and compelling a large proportion of our furnaces to suspend operations. Should the British makers decide to reduce, for a time, their prices to $ 10 per ton, the duty would fall to $ 2½, making the total cost at our wharves $ 12½. Laws thus framed, so far from protecting Home Industry, lie in wait to ensnare it to its ruin.

The Iron-masters of Pennsylvania assembled at Phil-

adelphia in 1849 to petition Congress against the maintenance of the Polk-Walker ad valorem Tariff of 1846. In their memorial,[1] they say: —

"When the price of iron is high abroad, the duty is high at home, giving to the American manufacturer an incidental protection which continues so long as the market remains high; but, so soon as the foreign market fluctuates, the duty falls with it; so that, at the time when the highest duty is needed to enable American manufacturers to sustain a competition with the foreign manufacturers, the protection is taken away, — thus acting as a *sliding scale against* the American manufacturer. When the Tariff act of 1846 was passed, the thirty per cent. duty on the price of iron at Liverpool ($50) was $15 per ton; the cost and duty added made the price $65. But, for the last two years, the price has fallen from $50 to $27 per ton, and the duty from $15 to $8 per ton, making the cost of iron and duty $35 per ton, — a fluctuation of $30 per ton. To sustain the American manufacturer, he requires the *reverse* of the operation of the present ad valorem duty. When the price abroad is highest, he needs the least duty, and when it is lowest he requires the highest."

After showing that the American production of Iron had decidedly increased under the operation of the Protective Tariff of 1842, they proceed to state that

"The fluctuations in price which have ensued from this large production have been of late years so great as to cast in the shade all other commercial changes of price. The range of these fluctuations in pig iron during the last ten years is from £1 18*s.* to £5 12*s.* 6*d.*, and in bar iron, from £4 10*s.* to $13, or about two hundred per cent.

"In one extremity of this fluctuation, British iron becomes too high to import under a revenue duty; in the other, too low to admit of home production. In the one extreme, one cannot afford to use it; in the other, it paralyzes our efforts to manufacture for ourselves.

[1] The History of the Iron Trade of the United States. By B. F. French. New York, 1858.

"The legislation asked by American manufactures deserves not the odium so frequently heaped upon it. We know that we can furnish to the consumers of this country a million of tons of iron cheaper and better than it can be had abroad. We ask for defence against those commercial fluctuations which occur in Great Britain, from causes wholly originating there, and which, while they thrust down the prices of iron there far below the cost of making, throw large and irregular quantities into our ports, disturbing the regular course of industry here; breaking down our markets, and carrying ruin at each such invasion into many establishments. If we ask aid against such irregularities, it is no more than we should be obliged to do if the manufacture in the United States were as greatly developed as in Great Britain, and enjoying, in all respects, equal advantages. If that were the case, each of the equally powerful competitors would seek to relieve their home markets in seasons of depression, by thrusting the rejected surplus upon his rival; and each would seize the opportunity of high prices in the other to make large exports, until both markets, unable to maintain any high prices to compensate for unfavorable periods, would sink into hopeless depression, and the business perish or be greatly impaired. Against such consequences, both would appeal to their respective governments for protection, not for monopoly, — for that security against ruinous fluctuations, and that regularity in sales indispensable to the success of industry. Competitors at home can observe their mutual progress, and take their measures of defence in time; but that competition which comes from abroad cannot be watched, nor preparations made for its sudden inroads. If the British manufacturer is prevented from flooding our markets at less than the average price upon which his business thrives, a mere revenue duty will be ample protection against the great advantage he enjoys, of employing labor at less than half the cost paid in the United States."

As to the effect of Protection on prices, a forcible statement was made by the Committee on Iron of the friends of Domestic Industry at their Convention held in this City in November, 1831. They say: —

"The average price of bar iron in 1828 was $118\frac{1}{2}$. In that year, an addition to the duty on hammered iron was made of $4.40 per ton, and on rolled of $7. In the following year, the price fell to $114\frac{2}{3}$, and in 1830 to $96\frac{2}{3}$; showing a decline in two years of $21\frac{3}{3}$ per ton in face of the increased duty above mentioned; a decline effected exclusively by domestic competition, inasmuch as *no corresponding decline took place abroad*, and *the fall here was greatest in those markets which are inaccessible to foreign iron.*"

It is remarkable that our Free-Traders, who harp so constantly on the practice and experience of other civilized nations as approving or confirming their theories, rarely or never allude to the strong preference of nearly all Europe for specific duties. The Zoll-Verein of Germany taxes nearly or quite every import by weight, — so much per pound, per cwt., per ton, — and this basis of taxation is very generally preferred for its honesty, its simplicity, and its inflexibility. In an inquiry made in 1840 by a Select Committee of the House of Commons, whereof that eminent Free-Trader, Joseph Hume, was Chairman, Dr. John Bowring (also a decided Free-Trader) testified[1] as follows: —

"*Question* 831. — What manufactures have made and are making most progress in Germany? *Answer.* — Certainly, those which have grown up spontaneously, without any protection.

"*Q.* 832. — What are they? *A.* — The hosiery trade is the most remarkable. I believe at this moment the cotton-frames of Saxony are equal to, if they do not exceed in number, those of this country. The manufactures which are suffering most in Saxony are the manufactures of modern introduction, particularly their spinning factories, which have grown up since the introduction of the Prussian tariff.

"*Q.* 833. — Then do you consider the Prussian tariff a Pro-

[1] Report of the Select Committee on Import Duties, together with the Minutes of Evidence: Ordered by the House of Commons to be printed. August 6, 1840.

tective tariff to manufacturers? *A.* — Protective to a certain extent.

"*Q.* 834. — What is the principle on which the German commercial tariff is founded? *A.* — As respects manufactures, it was intended that the maximum duty should be ten per cent.; but effect has not been given to that intention; for, on a great number of articles, the duty is from sixty to one hundred per cent.

"*Q.* 835. — Has that been in consequence of taking the duty by weight? *A.* — Yes. The finer articles pay a duty not exceeding ten per cent.; but the duty on the coarser articles is very high, and really prohibitory.

"*Q.* 836. — Is not that operation greatly against British commerce? *A.* — Decidedly. This system of taking duty by weight was recognized by Mr. Huskisson in 1826, with reference to silk; and it is notorious that, while it was the intention of Parliament to levy only thirty per cent., there are a great many cases in which fifty or sixty are levied under our tariff; we have introduced a standard of value with a standard of weight, and the complication has thwarted the purposes of the law. The result of this has been that, while the intention of Parliament was only to raise thirty per cent., fifty and sixty are occasionally taken upon silk goods from Germany, and France, and Switzerland."

I call the especial attention to this testimony of the Free Trade essayists who are accustomed to assert that the duties imposed by the Zoll-Verein are limited to ten per cent. Dr. Bowring had just made a careful scrutiny on the spot of the provisions and operation of the Zoll-Verein, and spoke from thorough knowledge.

To similar effect, Mr. John Dillon, also an intense Free-Trader, of the Silk house of Morrison, Dillon & Co., London, testified as follows: —

"*Question* 2,936. — Would you levy duties by weight or *ad valorem?* *Answer.* — That is a very difficult question; there are strong objections to both modes. The fairest mode, theoretically, is upon the value; but to that very great practical objections lie. It is exposed to evasion, and is constantly

evaded. *It is admitted almost by all, and few attempt to deny, that, when they make returns of value, they make false returns;* it is done in the most open, undisguised manner. . . . . Aware of these evasions, the Government have chosen, having the option of two modes, generally to charge by weight. To that mode, there are these objections: that the parties who, from greater capital or talent, are enabled to buy abroad cheaper, pay a higher rate of duty per cent. upon the cost-price than those who buy badly; and that, when the duty is so high as thirty per cent., makes a serious difference. Still, upon the whole, I think the best plan for the legislature to adopt is to levy the duty by weight; not that I think there are no objections to that mode, but because, in the choice of evils, that is the least."

Mr. Dillon seems to think that, where one importer has bought his goods twenty-five per cent. cheaper than a rival, he ought to pay twenty-five per cent. less duty on them, — an opinion which I do not share.

Early in the last session of the Thirtieth Congress, the Hon. James Thompson (a Democrat of the Pennsylvania variety) was enlightening the House,[1] after the fashion of his kind, on the subject of the Tariff, — trying hard to steer midway between Revenue and Protection, — denouncing in one breath the Tariff of 1842 and that of 1846, — and saying: —

"Now, Sir, what is the remedy for all this? It is plain. Specific duties, — moderate specific duties, — moderate, not inconsistent with revenue. Take Iron (Pig) as an example: fix a price for it, — say $20 or $25 per ton, — calculate it at $20, if you please: say thirty per cent. on this valuation; this would be six dollars. Now, Sir, when it would become abundant abroad, and should come in at nine dollars, (the valuation per ton,) you would still get your six dollars on the ton; and the more that should come in, (the evidence of superabundance and want of market abroad,) the

[1] December 19, 1848. See Congressional Globe, p. 64.

more revenue there would accrue to the country. Let this be the system in regard to the great articles of manufacture and produce of the country. Specific duties would give stability. Our affairs would not be made to fluctuate, nor our revenue either.

"Mr. C. J. INGERSOLL, of Pennsylvania, inquired if his colleague did not consider specific duties necessary on Liquors, Wines, and Brandies.

"Mr. THOMPSON. — I do not know. I cannot answer. I do not deal in those articles.

"Mr. INGERSOLL. — You will, if you consider the interest of the country.

"Mr. THOMPSON. — I cannot charge my colleague — for whom I have the highest regard — with any want of consistency, not in the least. But it seems to be within my recollection that my colleague, at the last session of Congress, proposed a reduction of the duties on Liquors to fifteen per cent.

"Mr. INGERSOLL. — I proposed it; for there ought, no doubt, to be a reduction; but it ought to be a reduction to Specific Duties: they are a good deal better than your Ad Valorems.

"Mr. THOMPSON. — I am opposed to Ad Valorems, as universally applied. I think it a mistaken policy in every point of view. I am in favor of reasonable Specific Duties, and opposed to Minimums.

"Mr. GREELEY of New York. — Will the gentleman from Pennsylvania be good enough to tell us how we can have Specific Duties *without* minimums?

"Mr. THOMPSON. — I think there is a difference between them; so thought the framers of the Tariff of 1842. They fixed by law an artificial value, without any regard to the real value, and assessed a duty equal to the whole value in some cases, without any regard to supply, demand, market, or anything else.

"VOICES. — You are wrong.

"Mr. THOMPSON. — I am *not* wrong, I think. The Tariff of 1842 contained Specific Duties, and Minimums, not as a consequence of Specific Duties, but as a consequence of the Ad Valorem system. Without critically inquiring into the matter, I have not taken the terms as convertible. At all events,

these Minimums, to a greater extent than anything else, overthrew the Tariff of 1842."

The above is, I judge, not much more muddled than the average of Congressional disquisitions on the various and important practical questions which must be decided in framing or revising a tariff. Judge Thompson was anxious to sail between wind and water, — to favor such Protection as was obviously required by and conducive to the well-being of Pennsylvania, and to oppose or ignore all other. Now a Specific impost is especially applicable to Iron, the Pennsylvania staple, while American Textile Fabrics were then almost confined to New England, where the larger part of them are probably still produced. The only possible way of avoiding or modifying the application to these of Ad Valorem duties, unless we adopt the Zoll-Verein method of putting all Woollens into the scales, and charging as much per pound (and thus a good deal more per yard) on superfine Broadcloths as on the coarsest Blankets or Carpets, is by a resort to the Minimum principle as above illustrated. This allows duties to be adjusted with very considerable regard to the value of the respective articles imported, yet interpose a decided obstacle to the importation of cheap, showy, worthless goods on the payment of merely nominal duties. In other words: a Minimum is a device for rendering Ad Valorem duties as nearly Specific as the nature of the article taxed will allow.

A correspondent of The Times (London) writing[1] from Manchester in the interest of the manufacturers and exporters of that city, explains the existing depression of the Cotton manufacture by the failure of the sanguine expectations formerly entertained of a large

[1] Published September 27, 1869.

demand for British fabrics in France, through the operation of the Cobden-Chevalier treaty. The writer vindicates the British negotiators of that treaty as follows : —

"In the first place, it should be remembered that the starting-point of Mr. Cobden, in the inculcation of Free Trade principles in France, was simply a promise from the Government of that country that, in any treaty that might be agreed upon, the duties on British manufactures should not exceed 30 per cent.; and, in criticising the labors of those who arranged the details of the treaty, it should be borne in mind that any concessions from this stand-point were absolutely wrung from French officials thoroughly imbued with a spirit of Protectionism, or sworn to the interests of French manufacturers. It has often been laid to the charge of the gentlemen who represented the English manufacturers that their mission was inefficiently performed, and that the representatives of French industry succeeded in stealing a march on them, and in gaining a decided advantage for their own manufactures. In answer to this, the English delegates reply that a very few days' negotiation served to convince them that they had undertaken a conflict with the prejudices of men who looked with the utmost jealousy on foreign competition, and by whom the principles of Free Trade were hardly understood, or, at any rate, but imperfectly appreciated. A hard struggle of many days for the admission of an *ad valorem* principle ended in a complete refusal on the part of the French; and, finally, the present most unsatisfactory Tariff was submitted to in the way of 'Hobson's choice,' but certainly not as the embodiment of what the English representatives considered either just or desirable. . . . . The thin end only of the wedge could, however, be inserted; and it was hoped that such commercial results as the treaty might produce, added to the hoped-for weakening of Protectionist feeling in France, might, in future negotiations, influence the adoption of a scale of duties more likely to create a market for the productions of this country. In consequence of the specific character of the present Tariff, the most favorable time for the English exporter of cotton goods must be when prices rule highest, inasmuch

as the duty then bears the smallest relation to their value; and thus it is that our largest exports to France were made during the American war, when the value of cotton goods was unusually inflated, and when the duty amounted only to from $7\frac{1}{2}$ to 10 per cent. With a decline in prices came a decline in the consumption of English goods in France; and so small has the trade now become that *it exists only in name*, and the few houses which in this country attempt to maintain it can only do so by narrowly watching the fluctuations of the respective markets, or by limiting their operations to those fabrics to which the Tariff gives the highest preference. . . . . The following figures will show the high rate at which the duties now stand, and they also suggest the improbability of any future fluctuations in the value of cotton, placing the trade in a more advantageous position. Average duty on all classes during the American war (say, cotton at 2*s.* per pound), about 10 per cent. Average duty at the same time on the sorts of goods most exported, about 8 per cent. Average duty on all classes at to-day's prices for goods, about 16 per cent. Average on all sorts of goods at the probable future ruling value (say, cotton at 8 *d.* per pound), about 20 per cent. Average on sorts most exported at future ruling prices, about 17 per cent. It is natural that the exporter should select for shipment those articles to which the duty is most favorable; but it thus appears that, even on those sorts, he cannot escape a duty averaging about 17 per cent. Next in objection to the high character of the tariff comes the erratic and almost inexplicable application. To make this apparent, one has only to refer to the fact that, for purposes of taxation, cotton fabrics are grouped in three classes, distinguished by the width and weight of the various cloths. These groups are again subjected to subdivisions, distinguished by the number of threads in the square inch; making in all, for plain goods alone, nine separate standards of tariff, each of which must be laboriously groped out by the custom-house officers with measure, scales, and whaling-glass. Such an utterly illogical method of fixing duties leads to the most absurd inconsistencies in their application; and we thus find *the ingenuity of the exporter stimulated to the utmost in order to pass his highly taxed fabrics under a lower classification than*

is assigned to them ; in fact, the issue of his business often depends on the success or otherwise of this deception."

I have printed so much of this letter as serves to show the influence and working of Ad Valorem and Specific duties respectively. The writer — who takes throughout what I may distinguish as the bagman's view of the whole matter — of course thinks a low Ad Valorem duty just what is wanted to restore the markets of France to the looms of Manchester, — which, to his mind, is the great end to be achieved. He insists that there is little difference between the cost of making cotton fabrics in the two countries, harps on the stupid prejudice of Frenchmen against buying from England fabrics which they can easily make at home, and makes out, to the satisfaction, doubtless, of the owners of British spinning and weaving machinery, that the French should be induced to abandon the treaty arrangement and substitute for it a ten per cent. Ad Valorem duty ; but I cannot glean from his statement that any benefit is likely to result *to the French* from an adoption of his policy ; wherefore, I conclude that it is not very likely to prevail. Evidently the French "don't see it."

The above illustrations suffice, I judge, to elucidate the nature and radical differences of the rival modes of imposing or estimating Duties on Imports. My own judgment decidedly favors the making (by means of Minimums where the end can no otherwise be attained) of every duty Specific, to the utmost possible extent. Unlike Mr. Dillon, I consider the fact that an importer has bought (or made) his goods twenty per cent. cheaper than another can buy them, no reason whatever why he should pay twenty per cent. less duty on their importation. I hold it a requirement of honest trade as well as honest industry that one man's imports should pay the

same as another's, and I repel the suggestion that Specific Duties bear heaviest on the poor, because they purchase inferior goods. If it be the fact that the poor buy poor goods, I find in that fact an explanation of their poverty, — a cause as well as a consequence. If they do not comprehend that thoroughly good fabrics are cheaper than poor, — that a poor man's wife or daughter may wisely prefer for her dress an excellent Gingham or De Laine to a flimsy, shabby Silk, — their knowledge should be extended and their taste improved. In my view, it is a weighty recommendation of Specific Duties that they inevitably and strongly tend to *prevent* the importation of inferior and worthless goods, by taxing them as high per yard or per pound as the excellent wares and fabrics which they, outwardly resembling, follow afar off, and would fain be mistaken for. If the day shall be hastened by Specific Duties, in which no one can *afford* to import any other than a thoroughly good article of its kind, I shall hail it as a foretaste of the Millennium.

[Note. — By the Tariff of 1842, all imported Wines were charged moderate but Specific Duties. The Walker Tariff, of 1846, upset all this, admitting every description of Wine at an Ad Valorem duty of forty per cent. Hon. Thomas Corwin, as Secretary of the Treasury, reported to Congress in 1850, that the same description of Wines were invoiced, under the latter of these Tariffs, but little more than *one third* the prices at which they were entered under the former, which afforded no inducement to under valuation.]

XXIV.

CONCLUSIONS.

I HAVE hitherto presented at some length the considerations which seem to me to render the maintenance of a Protective Tariff expedient and beneficent. I have contemplated more directly the case of our own country, because of my special interest in her welfare, and because I am more familiar with the essential facts in her case than I am with the corresponding facts in the history, resources and position, of any other people. Whether it might or might not be well for Great Britain to have all the Ore that is dug, and all the Cotton, Wool, Flax, Hemp, &c., that are grown on the globe shipped to her ports, utilized in her furnaces and factories, and sent abroad for sale in a manufactured form, I have not so closely studied, and do not decide; yet I am sure that it would *not* be best for the Laboring Class generally, and I doubt that it would be best for that portion of the British people in particular. For I cannot shut my eyes to the truth that, other things being equal, the farther a staple is transported from its producers for fabrication, the larger is the percentage of its value which must be abstracted from the proceeds to pay the cost of such transportation; and this percentage must be deducted from the avails accruing to Labor. If we send Apples to Havana in order to buy Cuban Oranges with the proceeds, we should be very unreasonable were we to expect to receive so many Apples for each bushel or barrel of Oranges as the Cuban consumers gave for them; and so with everything exported and imported. We should

be reconciled to receiving fewer Oranges than the number of Apples we sent, by the consideration that Oranges grow luxuriantly in Cuba and are grown with difficulty or not at all here; and, so far as contrasted peculiarities of soil or climate dictate such exchanges, they are abundantly justified. But the case is entirely different with regard to Satinets or Sheetings, Nails or Needles, which may be made nearly or quite as well (that is, with as little labor) in one country as another. Show me that our country lacks the raw material or other natural facilities for producing any or all of these, and I will agree that she should not make the attempt; but, if the reason urged for not attempting it be the greater aggregation of capital, machinery, skill, &c., which a thousand years' effort and experience have achieved for a rival nation, while these have been denied to or not yet attained by us, then I hold that a fallacious reason, which ought to be overruled and rejected. If we lack experience, let us acquire it; if our inferiority inheres in unopened mines and unbuilt railroads, factories, or furnaces, let us provide whatever we lack, and thus qualify ourselves for supplying our own wants under every possible advantage. The reasons which dictate abstinence from any effort on our part to grow Coffee or Cinnamon, Cloves or Cacao, have no existence or no application when we contemplate the production or fabrication of Plaids or Cassimeres, Gloves or Ginghams, which may be produced with as little labor here as elsewhere.

A true Political Economy, in my conception, regards with especial interest and favor the producers and production of wealth. If there be a community of ten thousand persons whereof one-half are of fit age to earn something, it dislikes to see half this productive force dissipated in subsidiary and non-productive employments, such as the various departments of transportation and

traffic. It does not blindly, sweepingly condemn Trade as useless and unprofitable to the community; for it recognizes the beneficence of a diversity of pursuits, and knows that the efficiency of Labor is thereby promoted; it realizes that, where each labors only in that vocation for which he is best fitted by skill and experience, exchanges of products are inevitable; and that these fall naturally, if not necessarily, into the hands of a class devoted to and presumptively qualified to effect them with celerity, economy, and substantial justice. But Commerce should be the servant, not the master, of Industry, which is better served, and at far less cost, where the exchangers are few and the exchanges direct and simple, than where they are needlessly complicated and absorb a large share of the ability and force of a community. Doubtless, if all our Clothing as well as our Cloths were fabricated in Europe, we should have a larger and (for a time) more flourishing Commerce than we now have, with more persons living and making fortunes by Trade; but the dividend to Labor from the aggregate product of our National Industry must be proportionally and absolutely less than it now is, while the proportion of our people who could find no work would be far greater. Unless Europe could make our Clothes for us in half the time required to make them here, — which she certainly could not, — there would be a loss to us and a loss to mankind of the cost of sending our Wheat, Wool, Cotton, Cheese, Meat, &c., &c., thither to pay for our Clothes and bringing over those Clothes and diffusing them throughout our country; and this loss would by no means be limited to the heavy cost of transportation both ways, but would be swelled immensely by the hazards of shipwreck, fire, and damage during transit, as well as by the charges and profits of those through whom the exchanges were effected.

"Then," says a Free-Trader, "those exchanges, proving unprofitable, would be superseded, and cease."

"Unprofitable," *to whom?* Not to the exchangers, who, having all the clews in their hands, would be living and generally prospering by their business, and would be very likely to make efforts and sacrifices to subvert any rivalry that threatened to supplant them. And their command of capital, experience, skill, and the channels of trade, would give them a very great advantage over any rash adventurer who should attempt to rival them by making Clothes on our own soil. Inevitably, those who had long enjoyed the profits of Clothes-making would display more elegant, attractive, and even cheaper garments than their raw competitors, and triumphantly ask the public to decide whether the labor which produced the Wheat, Cotton, Wool, Tobacco, &c., wherewith their goods were paid for, was not as truly American as that of the botches and extortioners who impudently besought our people to buy clumsy, ill-made, unsightly, misfitting garments at exorbitant prices, under the absurd pretence that they would thereby encourage Home Industry.

There are men as well as women in this country who now have their garments mainly made in Europe; and, if they honestly pay the duties charged on their importation, I make no objection. They help to defray the heavy burden of our Public Debt; and they do not materially depress the wages of labor. If we had never imposed a tax on such importation, there would be twenty garments imported where one is now, and the art of making elegant, fashionable Clothing would not have advanced among us nearly so far as it has done. Now let us suppose that in such case an American, deprecating such importation of our more costly and elegant Clothing as prejudicial to the National well-being, should re-

solve to have all his own clothes made in this country, what would he thereby effect? The price of his produce would remain at the low level induced by our necessity of exporting enormously and glutting the markets of Europe in order to pay for our Clothes and other imports, and he must be content with such garments as the rude and low estate of the Clothes-making art among us enabled us to produce, and at such prices would naturally result. But let us resolve and enact as a people that we will henceforth encourage and favor as Clothes-making on our own soil by taxing the importation of foreign-made Clothes, and the case would be bravely altered. First-rate tailors and milliners would be thereby incited to settle among us, bringing hither their capital, skill, and experience; our own clothes-makers, having a larger and steadier demand for their products, would be enabled and impelled to extend their operations and thus cheapen their products; the expansion and stability thus given to American Clothes-making would create or insure larger and better home markets for our Food, Wool, Cotton, &c.; and thus the beneficent results vainly sought through spasmodic, isolated, individual effort, would be readily and fully secured through that Protection which is another name for National Coöperation to diminish the proportion of exchangers or traffickers, and increase that of effective producers of wealth. The difference is the same as that between constructing the Erie Canal upon the resources and credit of the State, and attempting to construct it by inducing every one to dig out so much of the bed as traversed his own farm or wood-lot.

Let me further elucidate my difference with the Free-Traders by an incident that seems to me to show that their idea of cheapness is mole-eyed and delusive. A citizen of North Canaan, Connecticut, had always op-

posed Protection as calculated to enrich the manufacturer at the expense of his own class (the farmers), prior to 1842, when he contracted for clearing one hundred acres of his woodland at $ 10 per acre in addition to what could be made of the wood. Before this job was completed, the Tariff of that year was passed; and now a furnace was put into blast and the production of Pig Iron from charcoal commenced in his neighborhood; when the iron-makers paid him $ 20 per acre for the wood on two hundred acres of just such land as he had that year paid $ 10 per acre for clearing. Here was a difference of $ 6,000 made to one farmer between having our Iron made at home and importing it; and that farmer was enabled to see that Protection benefited others than manufacturers.

The whole country is thickly dotted with cases essentially like this. For instance: I bought, eighteen months ago, a rugged wood-lot from which the wood had just been cut, and which was largely covered with the shrub known as Laurel (Rhododendron, or Kalmia), which I would gladly have extirpated, that trees might replace it. I naturally inquired for some use to be made of this shrub, and learned that a manufactory in Connecticut, forty miles away, would buy it at $ 6 per cord, — less than I must pay for its conveyance thither. Had that factory been in my neighborhood, my Laurel would have been property, whereas it is now merely obstruction and nuisance. And it would be difficult to establish in any rural neighborhood a factory that would not give value to many products or substances previously worthless, if not worse.

These, then, are my general deductions from the facts and considerations set forth in the foregoing essays: —

I. Protection is another name for Labor-Saving through Coöperation, by bringing producer and con-

sumer nearer each other, enabling them to interchange their respective products directly and cheaply, instead of circuitously, through several intermediates, and at great cost. In thus reducing the proportion of exchangers and increasing that of producers in a community, it inevitably increases the aggregate product of human effort, and thus enhances the recompense of Labor. As Canals and Railroads have increased production and wealth by reducing the cost of transportation, so Protection achieves the same end by shortening the distances for which transportation is required.

II. Protection has been seen, in the case of the French production of Beet Sugar, to call into existence a new department of Industry, with signal advantage to all concerned. The people of France consume far more Sugar than they ever did or could afford to do until its production had been naturalized on their own soil. They are so supplied cheaper than they ever were while they procured their Sugar from abroad; the labor which produces it is better paid than it was or could be in the absence of this industry; the fertility of their soil has been increased, and even their annual product of Grain and Meat has been enlarged, by the naturalization among them of the Beet culture, whereby the earth is pulverized and fertilized to a depth without precedent, and the following crops of Wheat largely augmented, while the leaves and residuum of the Beet subsist and fatten large numbers of Cattle. And, so far is it from truth that an industry once protected calls ever for more and higher Protection, that Raw Sugar of excellent quality is now sold by wholesale in France at an average of five cents per pound, and its producers ask no Protection whatever, but acquiesce without objection in an excise or internal tax on their product fully equal to that borne by the Cane Sugar produced in the tropical colonies of France.

III. While there has been an advance in the average prices of our Agricultural staples since the passage of our first decidedly Protective Tariff in 1824, there is no single Manufacture protected by that Tariff and by its Protective successors which has not been reduced in cost to the great mass of our consumers; and that reduction is generally greatest on the articles which have been most stringently, persistently protected. Iron and its Manufactures, Woollen Fabrics of all kinds, Window Glass, De Laines, Ginghams, and even Salt, illustrate this truth.

IV. While it is certain that we already produce very many Wares and Fabrics, such as Edge Tools, Nails, Shovels, Spades, Satinets, Cassimeres, Sheetings, Prints, De Laines, the less sumptuous Shawls, Clocks, Watches, &c., &c., — far cheaper than Europe ever afforded them till we began to make for ourselves, — cheaper than we could now obtain an adequate supply abroad, if we had not naturalized their production on our own soil, — it is probable that some articles, like Pig Iron, whereof the cost inheres scarcely at all in the material employed, but wholly in the quantum of labor required to produce them, will be produced at a lower *money* cost abroad than among us, and that, though we have cheapened, and shall doubtless continue to cheapen them, by discoveries, by inventions, by larger aggregations of capital, and by a riper experience, yet — the discoveries and inventions of our people being speedily appropriated by our foreign rivals — it is probable that, so long as Labor remains relatively dear in this country and cheap in Europe, our producers of these articles will be sharply rivalled, sometimes undersold, and, in the absence of Protection might be, as they have hitherto been, undermined and broken down by this unfair, unequal competition. To me, it seems clearly not best for my coun-

try, for Labor, nor for human well-being, that such prostration and collapse of important branches of our National Industry should be permitted; and I hold that its legislative prevention by tax on the foreign rivals in our markets of our producers of wealth is as justifiable and beneficent as the fortification of our coasts and harbors against possible foreign aggression.

V. The true, beneficent relation of the more advanced or perfected to the less developed and immature industries of diverse nations seems to me one of friendly encouragement, not depressing, destructive competition. If (for example) the people of Liberia should desire next year to start a manufactory of Ploughs and other Agricultural Implements, I could wish that the plough-makers of Europe and America would make to that factory a present of approved patterns and labor-saving machines, and in every way bid the new plough-makers God speed: I should deeply regret to hear that, instead of this, they had sent out large invoices of farming implements to their agents in Liberia, with instructions to sell them below cost till their upstart Liberian rival had been broken down. In my view, this course would be consistent neither with a Christian spirit nor with the highest good of mankind. And, since I realize that this latter course is far more likely to be taken than that which I greatly prefer, I hold it a duty of Governments to protect the imperilled, struggling industries of their peoples from overthrow by a competition which, in its headlong clutch at personal, special emolument, tramples ruthlessly on the just claims of Labor, and is deaf to the pleadings of Humanity.

VI. I am no more the champion of the Laboring Class, inaccurately so designated, — that is, of those who sell their services for daily, weekly, monthly, or yearly wages, — than of any other. I realize that this class is

as likely as any other to be selfish, rapacious, wrong-headed, domineering, tyrannical. I do not doubt that what are called "Strikes" for wages are often mistaken, and that resistance to their exactions is then an imperative necessity as well as a social duty. I feel that King Mob may be as irrational and headstrong a despot as any other monarch. Yet I cannot forget that the Laboring Class, so called, must, like any other, stand up for its own rights, or be content to see them trampled under foot; and that the strength given it by organization, superinduced upon numbers, is its only effectual defence against the else unchecked tyranny of Capital, eager for profit and reckless of others' rights. The power developed by combination may be abused, like any other power; but Labor is helpless and a prey without it. I hold, therefore, that Trades' Unions and similar compacts, though often abused, have, on the whole, effected signal good; that Labor is to-day better paid, and its rights better secured, than they otherwise would or could be. But all this is "smoke to the eyes and vinegar to the nose" of the Free-Traders, whose fundamental principle it impugns, whose entire philosophy it conflicts with. Hence, Professor Perry is impelled to say[1] that

"The guilds of the Middle Ages, and the Trades' Unions of our own day, are examples of voluntary associations for the sake [purpose?] of regulating the wages of their members by combined action. The restrictions in the old guilds, limiting the number of apprentices to each artisan, determining the time a man should serve before he could become a master, and so on, were very onerous, and have mostly passed away. The Trades' Unions of this country have never been very popular or successful. The Printers' Union in the principal cities has just been dissolved amid universal contempt. *The spirit of Political Economy*, which is the spirit of freedom, *is*

[1] Elements of Political Economy, p. 117, 118.

against such associations for such purposes. If any man has a service to render, let him offer it freely, and make the best terms he can with whoever wants it."

This is undoubtedly the dictate of Free Trade; but the Laboring Class dissents from and will never agree to it. It knows that whatever there may be of improvement in its condition has been achieved by standing shoulder to shoulder, and regarding the interest of each member as the interest of the whole class; and it will not consent to disarm and disband in the face of antagonisms which stand ready to take advantage of its disordered ranks in the future as they have done in the past. It may sometimes abuse the might it has evolved through Combination; but it can never afford to discard the instrumentality and definitively renounce the power.

VII. Coöperation — the organization of workmen into bodies capable of selling their own labor or its product by wholesale, and fairly dividing or allotting its proceeds, or of consumers to purchase in gross whatever they may require, and divide or apportion it at the least possible cost — seems to be the step next ahead in the industrial and social progress of the civilized world. Considering how protracted, how arduous, how costly, has been the struggle to overthrow an abuse so flagrant as Slavery, we ought not to expect that this will be accomplished in one generation, nor in two; and yet I deem its ultimate success inevitable. The economies to be realized through Coöperation — economies in rent or house-room, in fuel, in the first cost of raw provisions, in the preparation of food, in medical service, &c., &c., — are so vast and pervading that I do not see how rational, intelligent beings can long resist or fail to secure them. Let us suppose that one thousand heads of families were firmly banded, under officers implicitly trusted and fully worthy of their trust, with a view to the most

effective employment of their labor, and the most economical outlay of their means, so that one of their number should purchase for cash at wholesale all that was required to satisfy their material wants; while another devoted his time to finding employment and making contracts for their labor; a third sought out and bargained for the premises best adapted to afford them the required house-room on the most favorable terms; and only the number needed were employed in transforming animals into meat, grain into flour or bread, and reducing every article purchased to the condition most conducive to the satisfaction of their various needs, — every one being required only to earn before spending, and to defray his just proportion of the common outlay, — who can fully realize the vast economies, both of time and means, that would thus be secured? Suppose some member of this combination should be allotted, through the imperfect working of the machinery, five to ten per cent. less than his righteous due, he must still receive so much more than he now does or can secure, that his casual loss would be swallowed up in his far exceeding and enduring gain. It must be that the more intelligent and capable portion of the Laboring Class is prepared or preparing to realize economies so vast and so palpable, and that few years can elapse before the destinies of that class will be moulded, its dependence on more favored classes weakened, and its circumstances vastly improved, by systematic, pervading Coöperation. After that stage in its progress shall have been attained, I feel sure that its contributions to the support of the liquor-seller, the professional gambler, and the purveyor to any vicious appetite whatever, will be immeasurably less considerable than they have been.

VIII. Full as our world is of misdirection, mismanagement, and waste of all kinds, the most gigantic of its

material calamities are these two: 1. Lack of industrial training on the part of at least twenty-five per cent. of its boys, and fifty to seventy-five per cent. of its girls; 2. (in good part consequent on the former) Lack of employment for those who should be, and most of them would be, at work if work were proffered them. Though we have perhaps as slight a proportion of habitual, chronic idlers as any other people, yet our loss from idleness alone (very much of it involuntary) must amount to hundreds of millions of dollars per annum,—far more than our average annual losses by flood and fire, by frost and drought, by storm and wreck, and by every other description of physical calamity. And idleness is too often a hereditary disease; the vagrant or strolling beggar of one age perpetuating and increasing his kind in the vagrants and beggars of the next. Two-thirds of our vast and ever increasing array of felons is recruited from the ranks of those bred to idleness and unfamiliar with any department of productive labor. Among the most urgent of our needs is that of Industrial Education for all; and this is in part met by a multiplication and diversification of pursuits, giving employment to a wider range of tastes and capacities, and drawing more and more into the walks of systematic industry by proffering more varied incitements thereto. If it seemed more profitable to devote all our energies to tilling the soil, that seeming would be fallacious, because oblivious of the need of a great diversity of pursuits to educe our diverse capacities and incite as well as employ our varied aspirations and faculties. Industry is the better part of the education of a majority of mankind, and its multiform lessons should be commended and brought home to each and all.

IX. Labor and the Skill thence resulting, therewith combined, being the only property and means of liveli-

hood of a large portion of the community, Government should be as solicitous and as vigilant for its due Protection as for that of any other individual Property. To this end, Patent and Copyright laws are wisely enacted and enforced; to this end, Usury laws (whether wisely or unwisely) seek to confine within reasonable bounds the rapacity of money-lenders; to this end, Tariff acts are so shaped that, while they provide the Revenue required for the support and efficiency of Government, they at the same time defend exposed and imperilled departments of the National Industry from prostration and overthrow by destructive foreign competition. As Carlyle well says, the well-being of England should never hang suspended on her ability to make cotton-cloth a farthing an ell cheaper than any other nation, so I maintain that the livelihood and industrial training of hundreds of thousands of our people should not be imperilled by the fact (if fact it be) that the British or any other people *can* make cotton-cloth a farthing an ell cheaper than it can be made in this country.

X. The Free-Traders are accustomed to assure the people that they, too, are in favor of a Tariff, not, indeed, for Protection, but for Revenue alone. Assuming that they are sincere in this assertion, they seem to me the most inconsistent of mortals. Day by day, they proclaim and reiterate that cheapness is desirable, — that low prices for Iron, for Fabrics, for Wares, are conducive to general prosperity, — and that a duty on an imported article injuriously enhances, by nearly its amount, the price, not only of whatever is imported subject to that duty, but of whatever is made and sold in this country in competition with the article thus imported. Suppose, for illustration, we import Six Hundred Thousand tons of Iron per annum, and make at home Eighteen Hundred Thousand tons (and these will be very nearly

the actual figures for the calendar year 1869): Let us put the average cost of the imported Iron at $ 40 (gold) per ton, and say that the Free-Traders, being in power, impose on that Iron a duty of twenty per cent. for Revenue solely, making the importers of Iron pay $ 4,800,000 per annum into the Treasury. So far, all seems easy and natural. But this duty enhances (so they assure us) the price not merely of the imported but of the home-made Iron also: so that our consumers of Iron are compelled by this duty to pay Fourteen Million Four Hundred Thousand Dollars into the pockets of the American Iron-masters in order that this $ 4,800,000 may be secured for the Treasury. What sort of economy, political or otherwise, is this? Why should the consumers of Iron pay this exorbitant sum to favored individuals — all of them asserted to be rolling in wealth — in order to get an amount so much smaller into the Treasury? Surely, if the Free-Traders' premises are sound (as I feel sure they are not), Tariff taxation, though Revenue be its sole object, is the most unequal, unjust, injurious mode in which the Treasury can be replenished; and the fact that we are heavily in debt and obliged to raise large sums by taxation, should dictate the entire abrogation of Duties on Imports, and the substitution therefor of some system which would not take four dollars from the community for every one that it puts into the Treasury. The naked fact that the Free-Traders persist in declaring themselves supporters of a Tariff for Revenue proves them unsound in their fundamental positions or extremely reckless of the public interest and welfare.

XI. Our Revolutionary patriots were, with few exceptions, farmers; and their statesmen and soldiers were generally, like Washington, engaged in cultivating the soil. Yet the first Tariff ever framed under our Federal

Constitution declared "the Protection of Manufactures" to be one of its objects; and this act received the approval of Washington. Jefferson and Madison were likewise agriculturists; Andrew Jackson and Henry Clay were the representatives in Congress of constituencies almost wholly Agricultural; yet these forcibly urged the Protection of Manufactures expressly for the benefit of our inland Agriculture, by creating and diffusing a demand for its produce which should not be subject to the fluctuations and caprice of foreign markets. "Plant the manufacturer by the side of the farmer," said in substance Thomas Jefferson;[1] so said, in those identical words, General Jackson, eight years later. Not in the interest of a manufacturing class, which had as yet no existence, but in order that Agriculture might have a just and sure reward, was the Protective policy commended, not by these only, but by George Clinton, Simon Snyder, Dewitt Clinton, William L. Marcy, and other eminent Governors of States, and by a large majority of our most honored statesmen of the Revolutionary and the succeeding generation. I submit that these were not the dupes of specious phrases, nor yet of sordid interests, but that they knew whereof they affirmed, and spoke from personal knowledge of the disasters which preceded, the blessings which followed, the initial triumphs of Protection.

XII. Monopoly is the restriction to one, or to a small class, of the right to make, vend, or use, a certain article. A man may be loosely said to have a monopoly of his own farm or fireside; but how has any one a monopoly of a pursuit which is free to all his countrymen? and how can that law be said to create a monopoly in favor of those now prosecuting a business which, inevitably, strongly, invites others to embark in

[1] Letter to Benjamin Austin, 1816.

that business and partake fully of its gains? The use made of the term Monopoly by Free-Traders seems to me an affront to the general intelligence, — an ostentatious defiance of dictionaries, — an experiment which presumes an amazing dearth of common sense.

XIII. Insidious efforts have long been, and still are being, made by Free-Traders to prejudice especially the West against Protection, as a device to enrich and aggrandize the East, and particularly New England, at the expense of the newer States. If one were to believe the speeches made, the editorials written, throughout the West, by anti-Protectionists, he would suppose that New England had devised and originated Protection to subserve her own special ends. Yet History proves that New England opposed Protection throughout the earlier struggles in its behalf, while the Free West with great unanimity forced it upon her, practically constraining her to withdraw her capital and energies in good measure from Navigation and Foreign Trade and employ them in Manufactures. And now, among the duties most vehemently denounced at the West are those on Iron, Lumber, and Salt, — all articles largely imported and consumed by New England; none of them, to any considerable extent, produced by her. And, for every furnace and factory built or set to work in the East because of the Protective *régime* inaugurated in 1861, at least two have been, while more are about to be, called into being in the West.

XIV. The striking fact that more immigrants have landed on our shores in a single year since our Industry was measurably diversified by the naturalization and growth of Manufactures, than during the whole forty years of our National existence which preceded the passage of the Tariff of 1824, and that immigration is more considerable from Ireland and the purely Agricul-

tural portions of Germany than from the far denser populations of Great Britain and of those German States wherein a mixed industry has taken root, bear their own comment. Right well do I comprehend that the discovery of Gold in California gave a special impetus to this immigration, and that its volume has not always been immediately swelled by a casual triumph of Protection, nor diminished by a temporary predominance of relative Free Trade. The factories and furnaces called into existence by Protection are not closed immediately on the passage of a lower tariff; no sensible man ever imagined that they would be. Important branches of Home Manufacture long since attained an efficiency and perfection, by the aid of American inventions, machinery, and skill, that enable them to defy foreign rivalry under almost any conditions. It is none the less true, however, that Population strongly tends in either hemisphere to abandon the regions wholly devoted to Agriculture, and concentrate in districts alive and vital with the hiss of steam, the hum of machinery, and the roar of wheels, — that the existence and prosperity of manufactures in any country is strongly conducive, if not indispensable, to the steady, majestic influx thereto of Immigration.

XV. Finally, the great truth, so forcibly set forth by Mr. Clay in 1832, that Protection has been to us a sheet-anchor of Prosperity, a mainspring of Progress, has not been and can never be explained away. Our years of signal disaster and depression have been those in which our ports were most easily flooded with foreign goods, — those which intervened betwixt the recognition of our Independence and the enactment of the Tariff of 1789, — those which followed the close of our Last War with Great Britain, and were signalized by immense importations of her Fabrics, — those of 1837 – 42, when

the Compromise of 1833 began to be seriously felt in the reduction of duties on imports; and those of 1854 – 57, when the Polk-Walker Tariff of 1846 had had time to take full effect. No similarly sweeping revulsions and prostrations ever took place — I think none *could* take place — under the sway of efficient Protection. Said Mr. Clay in 1832, after premising that the seven years preceding the passage of the Tariff of 1824 had been the most disastrous, while the seven following the passage of that act had been the most prosperous, that our country had ever known, "This transformation of the condition of the country from gloom and distress to brightness and prosperity *has been mainly the work of American legislation, fostering American industry, instead of allowing it to be controlled by foreign legislation, cherishing foreign industry.*" God grant us the wisdom and virtue to press forward on the shining path thus opened plainly before us, to the end that our Labor may be fully employed and fairly recompensed, and that age after age may witness the rapid yet substantial progress and growth of our people in all the arts of Peace, — all the elements of National well-being!

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